

STATE OF MARYLAND
DEPARTMENT OF HEALTH AND MENTAL HYGIENE



REQUEST FOR PROPOSALS (RFP)

MARYLAND HEALTH CARE COMMISSION
4160 PATTERSON AVENUE
BALTIMORE, MARYLAND 21215

MHCC 07-020

**Third-Party Administration Services for Uncompensated Care under the
Maryland Physician Services Trauma Fund**

Offerors are invited to submit proposals in conformance with the
requirements established by the specifications herewith.

Minority Business Enterprises Are Encouraged To Respond To This Solicitation.

Publication Date: October 2, 2006

Bids must be received by November 3, 2006 at 4:00 p.m. local time.

Note: Please see Part IV, Section 2.14, clause #2 for cautions regarding the confidentiality of proposals submitted in response to this RFP.

Rev 10/04

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Notice to Offerors

Changes in Maryland's Minority Business Enterprise (MBE) Program

New versions of Sections 13-103, 13-104 and 14-303 of the State Finance and Procurement Article of the Maryland Code, relating to increased proposal documentation of MBE commitments, are effective as of October 1, 2004. The Contract under this solicitation will be awarded in accordance with these requirements. As a result, new proposal submission requirements, including certain revised MBE documents, are in effect for this solicitation. These new requirements are set forth elsewhere in this solicitation. Offerors should therefore carefully review **Part II Proposal Submission Requirements, Part III Evaluation and Selection Procedure (Sections 1.0 and 1.2), Part IV MBE Goal Section 2.2, and APPENDIX H. Read these sections carefully and follow all requirements exactly.**

Regulatory amendments to Code of Maryland Regulations 21.11.03 Minority Business Enterprise Policies, were adopted by the Board of Public Works on March 16, 2005, with an April 1, 2005 publication date and effective date of April 11, 2005. The text of the amendments can be found in the Maryland Register, 31:26 F.R. 1905 (December 27, 2004) and 32:7 F.F. 685 (April 1, 2005).

Questions or concerns regarding the MBE requirements of this solicitation must be raised prior to receipt of initial proposals.

ENCOURAGEMENT OF PARTICIPATION STATEMENT

The State of Maryland is actively seeking to increase participation from businesses and organizations in the procurement of goods and/or services. Accordingly, all potential bidders/offerors are encouraged to complete the "Notice to Vendors/Contractors," which is on the following page, supplying comments and/or the reason(s) for declining to bid or to make an offer in response to this solicitation. Please return this form either with your submission package or in an envelope addressed to the issuing office listed on the Key Information Summary Sheet, even if you are not submitting a proposal.

STATE OF MARYLAND
NOTICE TO VENDORS/CONTRACTORS

In order to help us improve the quality of State bid and proposal solicitations, and make our procurement process more responsive and "business friendly," we ask that you take a few minutes and provide comments and suggestions regarding the enclosed solicitation. Please return your comments with your bid, proposal, or "no bid", as the case may be. Thank you for your assistance.

Bid/Proposal Number:

1. If you have responded with a "no bid", please indicate the reason(s) below:

- ☐ Other commitments preclude our participation at this time.
- ☐ The subject of the solicitation is not something we ordinarily provide.
- ☐ We are inexperienced in the work/commodities required.
- ☐ Specifications are unclear, too restrictive, etc. (explain in *Remarks* section).
- ☐ The scope of work is beyond our present capacity.
- ☐ Doing business with Maryland Government is simply too complicated.
- ☐ We cannot be competitive (explain in *Remarks* section).
- ☐ Time allotted for completion of the bid/proposal is insufficient.
- ☐ Start-up time is insufficient.
- ☐ Bonding/Insurance requirements are too difficult to satisfy. (explain in *Remarks* section).
- ☐ Bid/Proposal requirements (other than specifications) are unreasonable or too risky (explain in *Remarks* section).
- ☐ MBE requirements (explain in *Remarks* section).
- ☐ Prior State of Maryland contract experience was unprofitable or otherwise unsatisfactory (explain in *Remarks* section).
- ☐ Payment schedule too slow.
- ☐ Other: _____

2. If you have submitted a bid or proposal, but wish to offer suggestions or express concerns, please use the Remarks section, below (use reverse or attach additional pages as needed).

REMARKS:

Vendor Name: _____

Date: _____

Contact Person: _____ Phone (____) _____ - _____

Address: _____

KEY INFORMATION

Title of RFP: - **Third-Party Administration Services for Uncompensated Care Under The Maryland Physician Services Trauma Fund**

RFP Issue Date: - **October 2, 2006**

RFP Number: **MHCC 07-020**

Description of services: The Maryland Health Care Commission (MHCC) is seeking a vendor to provide claim processing and related services for the uncompensated care component of the Maryland Trauma Physician Services Fund.

Procurement Method: Competitive Sealed Proposals (COMAR 21.05.03)

Contract Term: December 1, 2006 – January 31, 2008 (14 months)

Electronic Funds Transfer: By submitting a response to this solicitation, the Offeror agrees to accept payments by electronic funds transfer unless the State Comptroller's Office grants an exemption. The selected Offeror shall register using the attached form COT/GAD X-10 Vendor Electronic Funds (EFT) Registration Request Form (Appendix K). Any request for exemption must be submitted to the State Comptroller's Office for approval at the address specified on the COT/GAD X-10 form and must include the business identification information as stated on the form and include the reason for the exemption.

Issuing Office: **Maryland Health Care Commission**
4160 Patterson Avenue
Baltimore, Maryland 21215

Issuing Office Point of Contact: **Ben Steffen**
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, Maryland 21215
Email: bsteffen@mhcc.state.md.us
Phone: (410) 764-3573

Procurement Officer: **Sharon M. Wiggins**
Maryland Health Care Commission
Phone: (410) 764-3329
Fax: (410) 358-1236
Email: swiggins@mhcc.state.md.us

Contract Monitor: **Ben Steffen**

Deadline for receipt of proposals: **Friday, November 3, 2006 at 4:00 p.m. local time**

Proposal(s) Received At: **Maryland Health Care Commission**
4160 Patterson Avenue
Receptionist Desk
Baltimore, Maryland 21215

A pre-proposal conference is scheduled for Tuesday, October 10, 2006 at 10:00 a.m. at 4160 Patterson Avenue, Room 101 in Baltimore, Maryland. Please notify Sharon Wiggins at (410) 764-3329 by Friday, October 6, 2006 that you will be attending this meeting. Parking is available in front of the building.

MBE Subcontracting Goal: A MBE Subcontracting Goal of **10%** has been established for the contract to result from this solicitation.

Directions to the Maryland Health Care Commission—

From Beltway (695): Take exit 18A (Lochearn, Route 26). Follow Liberty Road for several lights; when you see a cemetery (Woodlawn Cemetery) on your right, turn left at the next light onto Patterson Avenue. Follow Patterson Avenue; cross Wabash Avenue and the railroad tracks. After passing the Home Depot, turn left. The Commission is located in the Reisterstown Plaza at the corner of Patterson Avenue and Reisterstown Road.

From downtown Baltimore: Take I-83 North to Northern Parkway, West (2nd exit). Follow Northern Parkway. After passing Park Heights Avenue, turn right onto Reisterstown Road. The next light after passing Ford's Lane is Patterson Avenue. Turn left onto Patterson Avenue, and take the first right into the mall.

eMarylandMarketplace Fee

COMAR 21.02.03.06 requires that the successful offeror under this solicitation pay a fee to support the operation of eMaryland Marketplace. A copy of COMAR 21.02.03.06 can be found on the eMM website at www.eMarylandMarketplace.com.

COMAR 21.02.03.06 includes a fee schedule which offers should build into their bid prices. Normally, contractors would be required to pay the appropriate fee upon contract award. However, because of the extreme variability in possible usage under the contract, either for a single contractor or for multiple contractors, no fee will be due at the time of initial award. Instead, awards/usage will be summarized and the appropriate fee assessed on a quarterly basis.

The rate(s) or price(s) of the offer should be sufficient to accommodate the payment of the appropriate fee as per the COMAR 21.02.03.06 fee schedule. Fees may not be quoted as a separate add-on price.

In order to receive a contract award, a vendor must be registered on eMaryland Marketplace. Contractors shall pay the fee as provided by COMAR 21.02.03.06 and in accordance with guidelines issued by the Maryland Department of General Services. These guidelines can be found on the eMaryland Marketplace website at www.eMarylandMarketplace.com.

GLOSSARY OF TERMS

BAFO	Best and Final Offer
BPW	Maryland Board of Public Works
CFR	Code of federal regulations
CMS	Federal Centers for Medicare and Medicaid
COMAR	Code of Maryland regulations
CPT	American Medical Association's Current Procedure Terminology
DAT	Maryland Department of Assessments and Taxation
DBM	Maryland Department of Budget Management
DC	District of Columbia
DHMH	Maryland Department of Health & Mental Hygiene
DLLR	Maryland Department of Labor, Licensing and Regulation
DUA	data use agreement
EDI	electronic data interchange
FEIN	federal employer identification number
HIPAA	means Health Insurance Portability Accountability Act of 1996 and the regulations promulgated pursuant thereto, including the administration simplification provisions relating to the privacy and security of protected health information, the electronic exchange of health information, standard data transaction codes and code sets, and national unique identifiers.
HCPCS	CMS's Healthcare Common Procedure Coding System
HIPAA	Health Insurance Portability and Accountability Act of 1996
HMO	health maintenance organization
HSCRC	Maryland Health Services Cost Review Commission
ICD-9-CM	International Classification of Disease Clinical Modification (9 th edition)
INCURRED	

CLAIMS	Claims submitted to the Trauma Fund TPA, but not cleared for payment by MHCC through the Department of the Treasury
MBE	Minority business enterprise
Medical Records Act	Means the Maryland Confidentiality of Medial Records Act, Annotated code of Maryland, Health General Article, Title 4, subtitle 3.
MDOT	Maryland Department of Transportation
MEDICAID	Maryland Medical Assistance Program
MHCC	Maryland Health Care Commission
MIA	Maryland Insurance Administration
OAG	Maryland Office of the Attorney General
OSHA	Occupational Safety and Health Act
SSN	social security number
TPA	An organization that is responsible for providing claim adjudication including data processing, provider support, and administrative services to the Trauma Fund.
TRAUMA FUND	The Maryland Trauma Physicians Services Fund was established to reimburse trauma centers for on-call expenses and trauma physicians' uncompensated care and undercompensated care. The offeror will provide support uncompensated care operations.

PART I

SPECIFIC REQUIREMENTS OF PROPOSED CONTRACT

1. INTRODUCTION

The Maryland Health Care Commission (MHCC) is a fifteen-member, independent regulatory commission, functioning administratively within the Maryland Department of Health and Mental Hygiene. The Maryland General Assembly created MHCC in 1999 through the consolidation of two existing commissions to “establish a streamlined health care regulatory system within the State of Maryland in a manner such that a single state health policy can be better articulated, coordinated, and implemented.” MHCC is responsible for carrying out the health care reform provisions contained in Health General Article, Section 19-1501 et seq. The MHCC intends to make a single award as a result of this RFP.

All communications regarding this RFP are to be made only by the Issuing Office or by the Procurement Officer (see Key Information Summary Sheet). Information communicated by the Issuing Office or by the Procurement Officer shall constitute the official position of MHCC.

2. BACKGROUND

During the 2003 Legislative Session, the Maryland General Assembly established the Maryland Trauma Physician Services Fund (Fund) to aid Maryland’s trauma system by reimbursing trauma physicians for uncompensated care losses and by raising Medicaid payments to 100 percent of the Medicare rate when a Medicaid patient receives trauma care. The legislation also established a formula for reimbursing trauma centers for trauma-related on-call expenses for trauma surgeons, orthopedists, neurosurgeons, and anesthesiologists. The Trauma Fund is financed through a five dollar (\$5) fee on automobile registrations and renewals.

MHCC started distributing money from the Fund beginning in October 2003. Trauma physicians (anesthesiologists, critical care physicians, emergency medicine physicians, orthopedists, neurosurgeons, and trauma surgeons) seeking reimbursement from the fund were required to submit an uncompensated care application (available at http://mhcc.maryland.gov/trauma_fund/physicianappe.pdf). This non-standard billing form allowed MHCC to reconcile uncompensated care payments using internal staff. Although the application was more burdensome than standard billing for practices, the opportunity to obtain payment offset the additional filing time.

Payments from the Trauma Fund have not kept pace with the revenue collected from automobile registrations and registration renewals. By the end of FY 2005 (June 2005), the balance in the Fund grew to about \$12 million. MHCC estimates that the FY 2006 balance would be about \$18 million (see Annual Report, at http://mhcc.maryland.gov/trauma_fund/physicianserfundrpt05.pdf).

Recognizing that the balance would continue to grow absent legislative action, the Maryland

Legislature expanded eligibility to the Maryland Trauma Physicians Services Fund in the 2006 session (see House Bill (HB) 1164 – Trauma Reimbursement and Grants at <http://mlis.state.md.us/2006rs/bills/hb/hb1164e.pdf> Appendix D). Under the new law, any physician that provides care directly related to the original trauma injury at a Maryland trauma center hospital eligible for uncompensated care reimbursement (100 percent of Medicare fee for Baltimore locality), if the trauma patient is uninsured and the practice can document a bone fide effort to collect. HB 1164 defined the following three specialty referral centers as sites of care where physicians could receive uncompensated care reimbursement:

The Regional Burn Center At The Johns Hopkins Bayview Medical Center Health System;
The Eye Trauma Center At The Wilmer Eye Institute At The Johns Hopkins Hospital; and
The Curtis National Hand Center at Union Memorial Hospital.

After the expansion of eligibility to the fund, MHCC concluded that using the ‘non-standard’ uncompensated care application was no longer feasible. A list of all MIEMSS-designated Trauma is shown in Appendix C. Many additional practices will be eligible for reimbursement from the Fund and many of these practices will submit to the Fund infrequently. MHCC concluded that use of a TPA to process uncompensated care claims would be a cost-effective approach for determining eligibility and calculating payments for the uncompensated care component of the Trauma Fund.

Approximately 19,000 patients were treated by in the Maryland trauma system in 2005. Table 1 presents utilization of trauma services from 2003-2005 in more detail. Patients eligible for uncompensated care trauma treatment come from the ranks of the uninsured. The number of uninsured trauma patients can not be precisely known. Assuming that trauma patients are somewhat more likely than the average Marylander to be uninsured, MHCC estimates that about 18 percent of trauma patients were uninsured in 2005. Only a portion of patients treated by the trauma system are severely injured and require an inpatient hospital stay. The severity of injuries to uninsured patients is also not currently available in state data systems. The MHCC estimates that approximately 2,200 severely injured uninsured patients will be treated by the trauma system. The Trauma Fund will reimburse for physicians for their services to these patients. Note no hospital facility services or non-physician providers will be funded by the Trauma Fund.

Table 1 – Trauma Utilization 2002-2005

	2002-2003	2003-2004	2004-2005
Admissions to Adult or Pediatric Trauma Centers ¹	17,910	18,966	19,261
Estimated Uninsured Rate for Trauma Patients ²	17.6%	18.1%	18.2%
Estimated Inpatient Trauma Admissions	n/a	n/a	12,100
Estimated Uninsured Trauma Patients	3,153	3,4582	3,506
Estimate Uninsured Patients Requiring and Inpatient Stay	n/a	n/a	2,202

Source (1) <http://www.miemss.org/AnnRpt.pdf> p 50. (2) Estimates of uninsured are derived from U.S Census data. Actual rates are 2002-2003 13.6%, 2003-2004 14.1%, 2004-2005 14.2%.

3. PURPOSE

The MHCC is seeking proposals from qualified organizations to provide claims third party administration (TPA) for the Maryland Trauma Physician Services Fund Uncompensated Care Program. The contract will commence approximately December 1, 2006 for a period of one year and two months. MHCC's expects the successful offeror will initiate Third Party Administration (TPA) services effective January 1, 2007. The successful offeror is responsible for educating physician practices on claim submission requirements for the Trauma Fund, operating a call center, providing real-time claim status information to practices, and for adjudicating uncompensated care claims, including calculating payments using the Medicare Physicians Fee Schedule. The TPA will submit information by provider to enable the State to produce payment checks to the practices that have submitted claims for uncompensated care trauma patients. The TPA will not be at risk for payments. The successful offeror will also work with the MHCC staff to ensure continuity of reimbursement from the Trauma Fund for current physician practices and support new physician practices that will be eligible to participate.

4. SERVICES TO BE PERFORMED

The TPA must be committed to provide MHCC with service attention that is at the highest levels in the industry, and fully consistent with expectations and dedicated towards the achievement of Trauma Fund objectives.

4.1 SPECIFIC REQUIREMENTS

The following information is provided for sizing estimates. Approximately 17,000 patients are treated each year at the 9 trauma centers and 2 pediatric trauma centers. A trauma registry, maintained at the Maryland Institute for Emergency Medical Services (MIEMSS), contains basic information on patient demographics, the nature of injuries, and the treatment provided (see <http://www.miemss.org/AnnRpt.pdf>). Another 1,500 patients are treated at the eye, hand, and burn referral centers hospitals each year. MIEMSS is currently developing registry standards for these centers. The registries have previously and will serve to serve as the eligibility file for uncompensated trauma care. MHCC will make information from the registries available to the TPA as needed. Physicians are eligible for reimbursement for uncompensated care treatment if a patient meets 3 conditions:

- A record exists for the patient on either the Maryland trauma registry or on a specialty registry (now under development);
- the patient does not have private or public health coverage; and
- the practice can document unsuccessful attempts to collect from patient (see COMAR 10.25.17).

MHCC estimates that about 3,000 trauma and specialty patients per year are uninsured. Of these about 2,000 are seriously injured and require an inpatient stay. The Trauma Fund will reimburse physicians for treating uninsured trauma patients during the initial emergency or hospital visit and

subsequent inpatient stays and outpatient visits that are directly related to the original trauma injury. The TPA will be responsible for adjudicating these claims, educating trauma claim submission practices, and reporting operational informational and payment information to MHCC.

4.1.1 Provider Support Requirements

This section describes provider support requirement and customer service functions. The TPA may recover the cost of the requirements described in this article only by making provision for such expenses in the proposed administrative fee. The TPA shall provide for the following services:

- a. Staffing for one customer service unit to support Trauma Fund Processing questions. The unit shall be staffed to handle Fund-specific payment questions, claim submission clarifications and inquiries, and first level complaint resolution.
- b. The TPA shall designate one (1) TPA customer service employee whose primary responsibility will be to respond to and resolve, within a reasonable time frame, the Trauma Fund's service needs. MHCC and TPA will jointly monitor and adjust staffing levels to MHCC's sole satisfaction as work and service requirements demand according to standards set out during quarterly operational meetings. The TPA warrants and represents that it will adequately train one (1) additional team member to support MHCC's requirements, if needed. ***Service center employees would not need to be fully dedicated to MHCC. The TPA must have capacity to scale up or down given service needs.***
- c. The customer service call center must be accessible via a toll-free number. The establishment of toll free lines (telephone and facsimile) and appropriate customer service staff must be adequate at a minimum to maintain the following standards:
 - i. Abandonment rate of 5% or less;
 - ii. Average Seconds to Answer of 45 sec. or less;
 - iii. Blockage rates of 5% or less; and
 - iv. The successful offeror shall document actual rates against these requirements at the quarterly operational meetings.
- d. The TPA shall inform each customer using the telephone help line that the responder is associated with "The Maryland Trauma Fund at (TPA firm's name)."
- e. The TPA shall have the capability to allow MHCC staff to listen to calls to and from the TPA call center(s).
- f. The TPA shall monitor and categorize complaints from Trauma physicians as follows: a) administrative services (claims); b) administration of benefits (disagreement over level of benefits paid); and c) all other. The TPA shall submit a status report at the quarterly meeting.

4.1.2 Operational Requirements

This section describes operational requirements. The TPA may recover the cost of the requirements described in this article only by making provision for such expenses in the

proposed administrative fee. The TPA shall process and administer all uncompensated Trauma services submitted to the Trauma Fund on or after January 1, 2007 and throughout the term of the Contract. These claims will include all uncompensated care trauma services provided beginning July 1, 2006 and any uncompensated services for the period prior to July 1, 2006 that have not been previously paid by the Fund. Requirements for claims processing include the following:

- a. Implementation and Testing - Implementation and Testing - MHCC expects the successful vendor to meet the timeline shown in the RFP in Part I, Section 4.2. **The TPA must submit its Health Information and Portability (HIPAA) group number and a list of lead contacts to MHCC's Project Officer within 5 working days following the award of the contract.** The TPA must have the claims processing operational by January 1, 2007.
- b. Run-off - The TPA and MHCC shall determine how services provided prior to July 1, 2006 shall be processed. Only trauma surgeons, orthopedic surgeons, neurosurgeons, critical care physicians, anesthesiologists, and emergency room physicians can submit for services provided prior to July 1, 2006. The TPA shall accept these claim transactions via the paper or electronic versions. The TPA shall propose a solution to ensure that only claims from the six (6) approved specialties are processed for the period before July 1, 2006 in your response to this RFP.
- c. Claims Reporting System - The TPA shall maintain a complete and accurate claims reporting system and provide for the retention, maintenance, and storage of all payment records with provision for appropriate reporting to MHCC. The TPA shall maintain all such records throughout the term of the Contract and shall return information to MHCC used during the administration of the contract at contract termination. The TPA shall warrant that any information not returned and not subject to HIPAA storage requirements has been destroyed at the conclusion of the contract. The TPA shall supply a list of all information retained to meet HIPAA requirements to MHCC at contract termination.
- d. Monitor Amount Paid to Emergency room Doctors - Using the National Provider Identifier, the TPA will monitor the amount paid to emergency room physicians as a specialty annually. Total payments to this physician specialty are limited to \$275,000 annually for services provided to uncompensated care patients.
- e. Claim Validation - Error checking routinely provided by the TPA must include the following edits:
 - Establish the existence of an 8-digit Trauma Registry Number on the claim (Note the practice is expected to report the number and the TPA will only confirm the correct format, but will not cross-reference it with the registry).
 - Confirm the existence of a 'U1' modifier in one of the modifier fields associated with the trauma.
 - Confirm that the service was provided in a trauma center hospital or a specialty referral center in one of the following places of service:
 1. (21) – Inpatient Hospital

2. (22) – Outpatient Hospital
 3. (23) – Emergency Department.
- Confirm that the claim contains at least 1 valid injury code (E-code) or an ICD-9-CM in the range of 800.0 through 959.9.
 - Confirm that the provider rendering service is a physician (non-physician providers are not eligible for uncompensated care).
- f. Claim Payment - The TPA shall provide an explanation of benefit (EOB) to a submitting physician or practice that will describe the services that were eligible or ineligible for reimbursement under the Trauma Fund.
 - g. Abnormally High Claims - The TPA shall notify each practice submitting a claim in excess of \$5,000 that they are eligible for an independent audit. MHCC and its auditor shall have reasonable access to information held by the TPA to conduct the audit.
 - h. In the event the TPA approves payments to physicians for non-trauma claims, it will:
 - Take all steps necessary to define overpayment, including estimating offsets from physicians subsequent claim payments.
 - Provide MHCC with detailed reports on a quarterly basis that in total and by individual provider Federal Tax ID shows (a) prior balance due, (b) current overpayments, (c) offsets made during the period, (d) balances at the end of the quarter; and
 - For each overpayment the TPA shall provide the reason for the overpayment.
 - i. The TPA shall notify MHCC prior to implementing material changes in policies and key personnel on the Trauma Fund account.
 - j. The TPA shall review claims for follow-up care subsequent to the initial trauma hospitalization or visit to ensure that the follow-up care is directly related to the initial injury. The TPA shall make these determinations by:
 - Confirming that body system injury and services provided are related to the original trauma (the identical trauma diagnosis and/or an E-code is used);
 - Assessing the amount of time that has elapsed between initial injury and follow-up care;
 - Confirming that subsequent services contain a trauma number;
 - Communicating with physicians practices to obtain additional clinical information to confirm that the subsequent treatment is related to the original trauma injury;
 - Ensuring the practice followed its collection policies; and
 - Identifying claims for the MHCC audit contractor to conduct on-site audits (note the TPA is not responsible for on-site audit).

4.1.3 Provider Management Requirements

The TPA shall provide all services specified in this RFP, including, but not limited to the following:

- a. The TPA shall provide initial and ongoing provider education to ensure that trauma physicians are familiar with and knowledgeable about the claim and payment processing (including any payment changes due to CMS modification in fee levels). Prospective vendors should assume the following training requirements:
 - 4 training session one each in the four regions: Baltimore, DC, Western Maryland (Hagerstown), Eastern Shore (Salisbury)
 - 4 specialized training geared to specialties newly eligible for trauma to be held in the Baltimore area.
 - All training sessions will last approximately 2 hours. MHCC staff will be in attendance to provide introductions, clarifications and cover issues unrelated to the TPA's functions.
 - The TPA shall assign at least two representatives to the provider education meetings (1 presenter and 1 supporting staff), unless authorized by MHCC.
 - All training material and handouts shall be approved by MHCC before initial use.
- b. The TPA shall make adjustments to fee schedules so that fees paid for uncompensated care are equal to 100 percent of the Medicare fee for the same service in the Baltimore pricing locality. MHCC will provide updates as the Medicare Fee Schedule is updated by the Centers for Medicare and Medicaid Services. Payments shall be calculated using the Medicare Fee in place at the time the service was provided.
- c. The TPA shall:
 - provide ongoing review of complaints from practices and providers to MHCC and respond as necessary and appropriate; and
 - Monitor the denials of payments made under the Trauma Fund to confirm compliance with the goals of the Fund.

4.1.4 Data Processing Requirements

For the purpose of responding to this RFP, the TPA may recover any costs involved in the adaptation of their system requirements to those set forth by MHCC as part of this fixed price indefinite quantity contract. Those costs should be in the proposed administrative fee (APPENDIX I).

- a. The selected TPA must have the capability to interface electronically

(transmit and receive claims data) with providers directly or via at least one (1) Maryland certified claims clearinghouse. This capability/electronic interface must be tested and operational no later than January 1, 2007. (The list of certified networks is shown on the MHCC website at mhcc.maryland.gov/edi/mhcccertifiedehns.htm).

- b. The TPA shall have the ability to provide EOB information electronically on a real-time basis to physician practices capable of accepting electronic information.
- c. The TPA must implement all MHCC system requests and correct all MHCC system issues within thirty (30) days from receipt of MHCC's written notification. MHCC shall fully supply any/all information reasonably necessary for TPA to complete the requested services. If MHCC determines that a thirty (30) day resolution is not reasonably possible, TPA shall provide MHCC with a written plan for implementation and a timeline for resolution within five (5) days from receipt of written notification as noted above.
- d. The TPA shall provide a status report on system changes and outstanding issues in the quarterly report.

4.1.5 Administration and Reporting

The TPA may recover the cost of these requirements described below by making provision for such expenses in the proposed administrative fee.

- a. The TPA shall designate a Lead Consultant ("LC") to manage all administrative and technical tasks including provider education, operations, data processing, administration, and reporting. The LC shall ensure that all MHCC requests and issues are thoroughly analyzed and given priority positioning to ensure speedy resolution.
- b. During the implementation process MHCC shall require a site visit for up to two (2) MHCC staff members.
- c. The TPA shall summarize by provider Federal Tax ID all trauma patient uncompensated care claims adjudicated each month for which the Trauma Fund is liable. The summary shall be provided in paper and electronic formats to MHCC. The paper version shall be generated for each Federal Tax ID and shall be consistent with the form in Appendix J. This report will serve as input for check generation by MHCC. The electronic version shall be in a format mutually agreed on by the TPA and MHCC. The summary is due 10 days after the month end.
- d. The TPA will convene a quarterly face-to-face operational review meeting to MHCC on the use of trauma uncompensated care and performance of the TPA and any subcontractors. The reviews will include cost saving recommendations and discuss reports identified above.
- e. The TPA shall provide a report on all uncompensated claims processed from January 1 2007 through June 30, 2007 and all claims received, but not processed. The contents of this report will be included in MHCC's annual

report to the General Assembly. The report shall be submitted to MHCC by September 1, 2007.

- f. The TPA shall provide draft templates, draft form letters and drafts of other means of standardized communication to MHCC for approval prior to sending, disseminating, or otherwise providing such written or oral communications to physician practices and their staff. ***Note: the approval will be for initial use and will not be required for every use of a communication.***
- g. The TPA shall maintain a Website containing information regarding claim submission. The TPA shall regularly review, revise and update where necessary, all information contained on its Website that relates to or may be utilized by Trauma Fund physician participants.
- h. Claims Adjudication File - The TPA shall provide to MHCC on a monthly basis a detailed file of the processed claims in a format as required by MHCC. The claims file will include, but is not limited to, all healthcare services for uncompensated care Trauma Fund participants during the month. This file will be due to MHCC no later than the 20th day of the month for the previous month's claim payments.

4.1.6 Financial Requirements

- a. Following the termination of the Contract for any reason, the TPA shall continue to be responsible for processing claims **received** during the term of the Contract. The projected cost of run-off administration should be specifically identified and included in the RFP's proposed administrative fees. The runoff period lasts 45 days after the date of Contract termination.
- b. MHCC may, in its discretion, conduct other audits of the TPA as it deems necessary. MHCC shall determine the scope of the audit, and the TPA must fully support the activities of, and in good faith cooperate, with the auditor. TPA support shall include maintaining readily available data that is accessible electronically as well as through hard copy.

4.2 SUMMARY OF DELIVERABLES AND MILESTONES

Listed below are deliverables required for the Tasks described in Part I, Sections 4.1 above. Following are the high level milestones and the State's desired due dates, where applicable:

Milestone		Date Delivery Deadline
	Begin implementation meetings	Upon contract award Assume November 30 th Start date
	Submit Payer ID to MHCC	5 calendar days after contract award
	Initiate implementation activities/transition protocols	7 calendar days after contract award
	Completion of information transfer activities	21 calendar days after contract award
	Completion of vendor implementation plan/transition protocols	30 calendar days after contract award
	Commence Claim Processing	January 1, 2007
	Monthly Reports on Claims paid by Federal Tax ID	10 calendar days after month end
	Adjudicated Claims File	20 calendar days after month end
	Quarterly Report	20 calendar days after the end of the quarter
	Quarterly Status Meeting	30 calendar days after the end of the quarter
	Annual Report on Claims paid and incurred, but not Paid	September 1, 2007

Note: Implementation schedule subject to contract award date.

PART II ORGANIZATION OF PROPOSAL

1. GENERAL FORMAT

1.1 TWO-PART SUBMISSION

Offerors shall submit in separate sealed envelopes technical and financial proposals in the following manner:

- A. One (1) original (to be so labeled) and seven (7) copies (one unbound and marked "PIA" Public Information Act copy) of the technical proposal in a sealed envelope clearly labeled "Technical Proposal"; and
- B. One (1) original (to be so labeled) and seven (7) copies (one unbound and marked "PIA" Public Information Act copy) of the financial proposal in a sealed envelope clearly labeled "Financial Proposal".

*(See Part IV, Section 1.4 for an explanation of this PIA copy)

All pages in the technical proposal must be numbered, either consecutively from beginning to end, or consecutively by sections. Each envelope shall, in addition, be labeled with the following:

- A. The name, title, address, telephone number, and e-mail address of the person authorized to bind the offeror to the contract, and who will receive all official notices concerning this RFP;
- B. The Offeror's Federal Employers Identification Number or Social Security Number; and
- C. Acknowledgement of the receipt of any addenda, if any.

1.2 TRANSMITTAL LETTER

Proposals are to be accompanied by a brief transmittal letter prepared on the offeror's letterhead, and signed by an individual who is authorized to commit the offeror to the services and requirements as stated in the RFP.

2. VOLUME I: TECHNICAL PROPOSAL

2.1 FORMAT AND CONTENT

Proposals should be clear and precise and should affirmatively address all appropriate points of this RFP except the financial information. All offerors shall present their technical proposal in the following format:

- A. Statement of the Problem
- B. Proposed Work Plan
- C. Corporate Qualifications
- D. Economic Benefit to State of Maryland

To assist in preparing this volume, offerors are furnished the following information.

- A. The "Statement of the Problem" should demonstrate clearly the offeror's understanding of the Trauma Fund and the role that the TPA will serve in adjudicating claims for payment for uncompensated care.
- B. The "Proposed Work Plan" section is to contain a definitive description of the offeror's proposed plan to meet the requirements of the RFP. It should describe the contractor's plan for addressing all requirements outlined in Part I, Section 4 including:
- Your organization's approach to claims administration,
 - Proposed methods of communication with providers, and
 - Your approaches to cost control.

Please provide a description of your data processing capabilities and computer interfacing capabilities including external communication modes. Outline planned enhancements, current back-up procedures, as well as disaster recovery procedures. Describe your internal controls with regard to claim handling procedures and effectiveness. Include information on ensuring timeliness of record keeping and processes for reviewing claims. Include examples of claim and EOB forms that you accept or transmit. Provide sample monthly summary reports and claim files. Describe your procedures and protocols for claims file organization. Describe your firm's process and procedure for providing on-going education and training to your claims staff.

- k. Provide an organizational chart for your project team and any subcontractor project team members (if applicable). In the organization chart show lines of control between the project and the senior level management that will be responsible for corporate oversight. Provide resume(s) identifying the personnel who shall be responsible for the administration and management of the Contract. Describe the staff (including numbers of full-time equivalent employees) that the TPA and any subcontractors shall utilize to perform, deliver and provide the claims processing, call center support, reporting, and administrative services requested in this RFP. Briefly describe the functions each employee performs. The TPA must submit a sample of claim forms and EOBs as an attachment with the Proposal

- C. The "Corporate Qualifications" section should describe the overall capabilities of the organization and subcontractors... Please provide the following aggregate claims information for 2005 and for the six (6) months ending June 30, 2006:

- Total claims paid under all health plans the TPA administered or insured.
- Total claims paid under health plans insured or administered in the state of Maryland.
- If the TPA is registered through the Maryland Insurance Administration as a TPA, include a copy of TPA's current registration.
- Identify any health professionals that have a financial interest in TPA's organization. If so, describe such interest in detail.

Please describe your ability to comply with the State's Information Technology Security Policy and Standards that apply to contractors shown in Appendix A. Provide the name of TPA's compliance officer and/or HIPAA privacy officer. Provide a copy of TPA's current HIPAA policies and procedures. Discuss how your firm would approach a request for information from a trauma patient.

How would the HIPAA electronic data interchange (EDI), transactions and code set standards apply to the TPA's business with the Trauma Fund? Please outline TPA's compliance with the HIPAA Security Standards effective April 21, 2005.

Please provide a minimum of three references from firms, organizations, etc. for whom recent work of a similar or related nature to this RFP was completed. Each reference should identify the name of each organization, point of contact and telephone number. MHCC shall have the right to contact these or any other references of its choosing, as part of the evaluation and selection process.

In addition, as part of its offer, each Offeror is to provide a list of all contracts with any entity of the State of Maryland that it is currently performing or which have been completed within the last 5 years. For each identified contract the Offeror is to provide:

- ***The State contracting entity***
- ***A brief description of the services/goods provided***
- ***The dollar value of the contract***
- ***The term of the contract***
- ***The State employee contact person (name, title, telephone number and if possible e-mail address)***
- ***Whether the contract was terminated before the end of the term specified in the original contract, including whether any available renewal option was not exercised.***

The Offeror shall provide documentation of Fiscal Integrity as specified by, but not limited to, the following:

1. Recently audited (or best available) financial statements;
2. Successful financial track record;
3. Adequate working capital;
4. Lines of credit.

The Offeror shall provide a Legal Summary that includes:

1. A statement as to whether there are any outstanding legal actions or potential claims against the offeror and a brief description of any such action.
2. A brief description of any settled or closed legal actions or claims against the offeror over the past five (5) years.
3. A description of any judgments against the offeror within the past five (5) years, including the case name, court number, and what the final ruling or determination was from the court.

4. In instances where litigation is ongoing and the offeror has been directed not to disclose information by the court, provide the name of the judge and location of the court.
- D. The “Economic Benefit to State of Maryland” section should describe the benefits that will accrue to the Maryland economy as a direct or indirect result of offeror’s performance of the contract resulting from this RFP. Do not divulge your financial proposal when describing economic benefit. Use percentages or other descriptive language in responding to items listed below.

Economic benefits include:

- The contract dollars to be recycled into Maryland’s economy in support of the contract, through the use of Maryland subcontractors, suppliers and joint venture partners. Offerors should be as specific as possible and provide a breakdown of expenditures in this category.
- The number and types of jobs for Maryland residents resulting from the contract. Indicate job classifications, number of employees in each classification and the aggregate payroll to which the contractor has committed at both prime and, if applicable, subcontract levels.
- Tax revenues to be generated for Maryland and its political subdivisions as a result of the contract. Indicate tax category (sales taxes, payroll taxes, inventory taxes and estimated personal income taxes for new employees). Provide a forecast of the total tax revenues resulting from the contract.
- Subcontract dollars committed to Maryland small businesses and MBEs. (These are a subset of the total dollars included in the first item.)
- In addition to factors listed above, the offeror should explain any other economic benefits to the State of Maryland that would result from the offeror’s proposal.

2.2 SUMMARY OF ITEMS TO BE SUBMITTED WITH THE PROPOSAL

- A. Transmittal letter;
- B. Bid/Proposal Affidavit (see Appendix D);
- C. Confidentiality of Proposal Statement with justification (see Part IV., Sect. 1.4);
- D. Technical Proposal (1 unbound original & 7 copies);
- E. MBE Utilization and Fair Solicitation Affidavit; and
- F. Financial Proposal (1 unbound original & 7 copies).

3. VOLUME II: FINANCIAL PROPOSAL

All price information shall be entered on APPENDIX I: “Financial Proposal Sheet” under separate sealed cover as described in Section 1.1 above. All work is described in Part I, Section 4.1. In responding to this RFP, the TPA shall propose an adjudicated claim administrative fee (administrative fee), which will be guaranteed for 14-months. To the extent that the TPA intends to recover start-up costs through the administrative fee, such recovery should be amortized over the entire contract period. The administrative fee

proposed by the TPA should be adequate to cover the cost incurred for the performance of all services described herein prior to and during the period of the Contract and during any runoff period following termination of the Contract

The volume MUST contain the Financial Proposal Sheet with an original signature of an individual authorized to bind the offeror to the prices proposed. The “Total Contract Price” stated on this form will be the price used for comparison, evaluation and recommendation for contract award. For pricing purposes, the vendor shall assume that 7,000 claims will be adjudicated over the 14-month contract. This claim estimate includes claims for service provided to trauma patient prior to January 1, 2007, but will not be submitted until after this date.

Offerors should carefully review Appendix I to ensure that they understand how a monthly payment will be determined.

PART III

EVALUATION AND SELECTION PROCEDURES

1.0 EVALUATION COMMITTEE

The evaluation of proposals will be conducted by a committee established by the Department. During the selection process, the committee may request technical assistance from any source. Technical proposals will be reviewed by the evaluation committee and evaluated in accordance with the criteria listed in Section 1.1 below.

The financial proposals will not be distributed to the committee until the technical evaluation is completed. Alternatively, a separate committee may be established to evaluate financial proposals concurrently with the committee that is evaluating the technical proposals. In such an instance, the separate committees shall have no contact with each other until such time as both committees have completed their assigned tasks.

1.1. EVALUATION CRITERIA

The evaluation criteria set forth below are arranged in descending order of importance. (Therefore, category A is more important than B and B is more important than C.) Within each category the specific criteria are also arranged in descending order of importance. (In other words, A.1. is more important than A.2.; and B.1 is more important than B.2, and C.1 is more important than C.2., etc.).

A. WORK PLAN

Claims processing organization and procedures,
Management information reporting capabilities
Ability to meeting implementation deadlines and operational requirements of Trauma Fund processing.
Experience of Lead Consultant

B. CORPORATE QUALIFICATIONS

Demonstrated commitment to providing quality services;
Demonstrated ability to manage resources needed to support customers (practices) and process claims within costs and on schedule;
Sufficient facilities and appropriately deployed human resources to complete the contract.
Financial Stature of Vendor

C. STATEMENT OF THE PROBLEM

D. ECONOMIC BENEFIT

1.2. EVALUATION PROCESS

The committee will evaluate each technical proposal using the evaluation criteria set forth above. The Committee may request discussion with the offeror regarding their proposal; if so, these discussions will be documented and become a part of the technical proposal. Only those offerors whose technical proposals are deemed reasonably susceptible of being selected for award and who are determined "responsible" shall be considered "qualified offerors." Accordingly, if the committee, with the concurrence of the Procurement Officer, determines at any time that an offeror is not reasonably susceptible of being selected for award, or the Procurement Officer determines an offeror not to be responsible, that offeror will be notified and the financial proposal will be returned unopened.

Following the completion of the technical evaluation of all offerors, including discussions, the Committee will rank each qualified offeror's technical proposal. Unless there is a separate evaluation team to review financial proposals, the financial proposal of each qualified offeror will then be distributed to the Committee. The Committee may then re-enter into discussions concerning the proposals. Unless already evaluated by the financial team, at this point the Committee will rank each offeror's financial proposal from lowest to the highest cost to the State. Then, if it is determined to be in the best interest of the State, the Procurement Officer may invite offerors to make final revisions to their technical and/or financial proposals through submission of a Best and Final Offer (see Section 1.4 below)

The Committee shall recommend the offeror whose overall proposal provides the most advantageous offer to the State considering price and the evaluation criteria set forth in the RFP. In arriving at this recommendation, the technical proposal shall be afforded more weight than the financial proposal. If, however, the technical ranking is essentially equal for two or more offerors, the cost as described in the financial proposal may become the primary determinant of award.

As permitted by COMAR 21.05.03.03A, the Procurement Officer and agency head may accept or decline any or all recommendations from the Committee. Nevertheless, in each case, the categories and criteria set forth herein shall govern all decisions.

The Commission will notify all offerors of the outcome of the solicitation. If there has been a MBE subcontracting goal established for this solicitation, the Procurement Officer shall, in writing, notify the recommended vendor of the deadline for submission of MBE documentation. Once all contract approvals have been obtained, notice of the award of the contract will be published by the Commission in the *eMarylandMarketplace*.

1.3 DISCUSSIONS / REVISIONS

The Evaluation Committee may enter into discussions with qualified or potentially qualified offerors as set forth in COMAR 21.05.03.02. Discussions, however, need not occur (See COMAR 21.05.03). Offerors may be asked to participate in face to face discussions with the Committee or other State representatives concerning their proposals. Discussions may also be conducted by telephone, E-mail, mail or facsimile transmission at the discretion of the Commission.

1.4 BEST AND FINAL OFFERS

When it is deemed in the best interest of the State, the Procurement Officer may permit qualified offerors to revise their initial proposal by submitting a Best and Final Offer (BAFO). The Procurement Officer shall notify each qualified offeror of the scope of the requested BAFO, and shall establish a date and time for the offeror's submission. The Procurement Officer may require more than one series of BAFOs and discussions if the agency head or designee makes a determination that it is in the State's best interest to do so. If more than one BAFO is requested, an offeror's immediate previous offer shall be construed as its best and final offer unless the offeror submits a timely notice of withdrawal or another BAFO. The Procurement Officer may consult with and seek the recommendation of the Evaluation Committee during the best and final offer process.

1.5 DEBRIEFING OF UNSUCCESSFUL OFFERORS

Unsuccessful offerors shall be debriefed upon their written request to the Procurement Officer. Requests for debriefings shall be honored by the Department at the earliest permissible time.

1.6 PROTESTS

The State of Maryland provides formal procedures for any offeror to protest the award, or the proposed award, of a contract. All protests must be filed in accordance with Md. Code Ann., St. Fin. & Proc. § 15-215 through §15-223 and with COMAR 21.10.02.

PART IV GENERAL INFORMATION AND INSTRUCTIONS

1.0 PROPOSAL INFORMATION

1.1 Pre-proposal Conference (See Key Information Summary Sheet for location, time, etc.)

While attendance at the pre-proposal conference is not mandatory, the information presented may be informative. All interested offerors are encouraged to attend in order to be better able to prepare an acceptable proposal.

In order for the Commission to prepare for this conference, prospective attendees are requested to telephone Sharon M. Wiggins, Procurement Officer at (410) 764-3329 no later than Friday, October 6, 2006 to provide notice of the anticipated number of individuals who will attend, as well as to provide an acknowledgement of receipt of the RFP.

Any individual interested in attending the pre-proposal conference who is in need of an accommodation due to his/her disability should contact the Issuing Office a minimum of five working days prior to the conference to request the necessary accommodation.

1.2 Questions and Inquiries

Questions may be submitted in writing to the Issuing Office Point of Contact in advance of the pre-proposal conference. As practical and appropriate, the answers to these pre-submitted questions will be provided at the pre-proposal conference. Additionally, questions, both oral and written, will be accepted from the prospective offerors attending the pre-proposal conference and will be answered at this conference or in a subsequent transmittal.

Subsequent to the pre-proposal conference, the Issuing Office will accept written questions until there is insufficient time for a response to impact on a proposal submission. Questions that have not been previously answered and that are deemed to be substantive in nature will be answered only in writing, with both the question(s) and answer(s) being distributed to all persons known by the Issuing Office to have obtained the RFP.

Should a potential offeror identify alleged ambiguities in the specifications or contract provisions included in this RFP, or should there be doubt as to the meaning or intent of any section or subsection herein, the potential offeror must request clarification from the Procurement Officer prior to the proposal due date. Failure to do so may prevent consideration of a future protest. (see COMAR 21.10.02.03).

1.3 RFP Revisions

If it becomes necessary to revise any part of this RFP, addenda will be provided to all persons who are known by the Procurement Officer to have received the RFP. Acknowledgement of the receipt of all amendments, addenda, and changes issued shall be required from all persons receiving the RFP. Failure to acknowledge receipt of addenda will not excuse any failure to comply with the contents of the addenda.

1.4 Confidentiality of Proposals

The copy marked "PIA" of any proposal submitted in response to this RFP must identify all parts of the technical and financial proposal that the offeror deems to contain trade secrets or information of a confidential and/or proprietary nature. (see Part II, section 1.1,A) This copy must also include a statement by the offeror regarding the rationale for the parts so identified. ***Compliance with this requirement is set forth in Part IV, Section 2.14, #2. Note that a blanket statement by an offeror that its entire proposal is confidential or proprietary is unacceptable.***

1.5 Duration of Offer

A proposal submitted in response to this solicitation is binding upon the offeror and is considered irrevocable for a minimum of 120 days following the closing date for receipt of initial proposals or the closing date for or receipt of a best and final offer, if any. This period may be extended by written mutual agreement between the offeror and the State.

1.6 Modifications or Withdrawals

Proposals may be modified or withdrawn by written notice to the Issuing Office prior to the closing date/deadline for receiving proposals. A facsimile transmission or telegram is also acceptable for this purpose; however, offerors are advised to document the exact date/time of transmission. A printed fax confirmation sheet is sufficient or, in the case of a telegram, a written confirmation from the telegraph office showing the date/time that the original message was received from the offeror at the telegraph office.

1.7 Late Actions

A proposal, request to withdraw a proposal, or a modification to a proposal is late, if the Issuing Office does not receive it by the closing date and time at the place designated for receipt of proposals (See Key Information Summary Sheet). A late proposal, late request for withdrawal, or late modification will not be considered, except under the following circumstances:

- A. When a late proposal is received before contract award and the proposal, the modification, or withdrawal would have been timely but for the action or inaction of State personnel directing the procurement activity or by the action or inaction of their employees.
- B. A late modification of a successful proposal, which makes its terms more favorable to the State, shall be considered at any time it is received and may be accepted at the sole discretion of the State. (See COMAR 21.05.02.10)

1.8 Rights of Procurement Officer

The Procurement Officer reserves the right to cancel this RFP, in whole or in part, to reject any or all proposals, to waive minor irregularities in proposals, and/or to allow the offeror to correct a minor irregularity if the best interest of the State will be served by so doing. Additionally, the Procurement Officer, at his/her discretion, may negotiate with all qualified (or potentially qualified) offerors in an effort to serve the best interests of the State of Maryland.

- 1.9 Incurred expenses
The State of Maryland is not responsible for any expenses incurred by the offeror in preparing and submitting a proposal in response to this RFP.
- 1.10 Multiple Proposals
An offeror **"may not"** submit multiple proposals in response to this solicitation.
- 1.11 Alternate Proposals
An offeror **"may not"** submit an alternate proposal in response to this RFP
- 1.12 Corporate Registration/Verification of Tax Payment
All corporations doing business in Maryland are required by law to be registered with the State of Maryland's, Department of Assessments and Taxation, and Department of Labor, Licensing and Regulation. Corporations that are not incorporated within the State of Maryland are required to have a resident agent. The resident agent must be either an individual (not the corporation itself) with an address within the boundaries of Maryland or a corporation that represents other corporations as a resident agent. Further, both corporations and individuals must verify that they carry no tax liability by contacting the Comptroller's Office.

The successful offeror shall be responsible for ensuring that all subcontractors meet these requirements, and further, that the contractor and all subcontractors shall meet these requirements for the duration of the contract.

Any potential offeror who has questions concerning this requirement is advised to contact the Department of Assessments and Taxation, at (410) 767-1330. It is strongly recommended that potential offerors and subcontractors be completely registered prior to the due date for receipt of proposals. Failure to register may result in an offeror's proposal being deemed unacceptable.

- 1.13 Reserved
This subsection has been left intentionally blank.

- 1.14 Delivery/Handling of Proposals
Offerors may either mail or hand-deliver proposals. Hand-delivery includes delivery by commercial carrier. For any type of direct (non-mail) delivery, offerors are advised to secure a dated, signed, and time-stamped (or otherwise indicated) receipt of delivery. (See Part VI, Appendix J, "Standard Addendum for the Means of Delivering Bids and Proposals.")

Proposals will not be opened publicly, but will be opened in the presence of at least two State employees. After the established due date, a Register of Proposals will be prepared that identifies each offeror. The register of proposals will be open to inspection only after the procurement officer makes a determination recommending the award of the contract.

Proposals and modifications will be shown only to State employees, members of the Evaluation Committee, or other persons, deemed by the Commission to have a legitimate interest in them.

1.15 Federal Funding Acknowledgement

The contract awarded as a result of this RFP will contain no federal funds.

1.16 MBE Requirements

A. Subcontracting Participation Goal

A Minority Business Enterprise (MBE) subcontract participation goal of an amount not less than **10 %** of the total dollar value of the contract has been established for this procurement. By submitting a response to this solicitation, the offeror agrees that one or more Maryland Department of Transportation (MDOT) certified MBEs will perform this percentage of the dollar value of the contract. That is, a prime contractor — including an MBE prime contractor or a prime contractor comprising a joint venture that includes MBE partner(s)— must accomplish an amount of work not less than the MBE subcontract goal with certified MBE subcontractors. In the event that two or more offers are determined by the Procurement Officer to be equal, the Commission may award a contract to the offeror whose proposal reflects the highest percentage of certified MBE participation.

By submitting a response to this solicitation, the offeror agrees that these dollar amounts of the contract will be performed by certified minority business enterprises as specified. That is, a prime contractor — including an MBE prime contractor or a prime contractor comprising a joint venture that includes MBE partner(s)— must accomplish an amount of work not less than the MBE subcontract goals with certified MBE subcontractors as specified. In the event that two or more offers are determined by the Procurement Officer to be equal, The Commission may award a contract to the offeror whose proposal reflects the highest percentage of certified MBE participation.

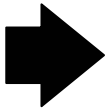
B. Proposal/Contract Submission Requirements – MBE Participation Documentation

1.) *MBE Utilization and Fair Solicitation Affidavit* (MBE Attachment A)

The following document shall be considered as part of the contract and shall be furnished by the offeror with the offeror's technical proposal. The offeror shall submit a completed *MBE Utilization and Fair Solicitation Affidavit* (see Appendix H, MBE Attachment A), whereby the offeror acknowledges the MBE participation goal and commits to make a good faith effort to achieve it, and affirms that in the solicitation of subcontract quotations or offers, MBE subcontractors were provided not less than the same information and amount of time to respond as were non-MBE subcontractors, and that the solicitation process was conducted in such a manner so as to not otherwise place MBE subcontractors at a competitive disadvantage to non-MBE subcontractors. Offerors must select either box 1b on the Affidavit, reflecting an intention to make a good faith effort to meet the goal, or box 1c on the Affidavit, reflecting an expectation that the goal will be partially, or not at all, met and that a waiver will be requested. This Affidavit must be submitted with the technical proposal.

2.) *MBE Participation Schedule* (MBE Attachment B)

The following document shall be considered as part of the contract and shall be furnished by the offeror with the offeror's financial proposal. The offeror shall submit a completed *MBE Participation Schedule* (see Appendix H, MBE Attachment B) of MDOT certified Minority Business Enterprises whereby the offeror responds to the expected degree of Minority Business Enterprise participation as stated in the solicitation, by identifying the specific commitment of certified Minority Business Enterprises at the time of submission and naming each proposed certified MBE who will participate in the project and describing the contract items to be performed or furnished by the MBE. The offeror shall specify the price and/or the percentage of contract value associated with each MBE subcontractor identified on the *MBE Participation Schedule*. This Attachment must always accompany the financial proposal. If Box 1b of the Affidavit (MBE Attachment A) is selected, Part 1 and Part 2 of this Attachment B must be fully completed as set forth herein. If Box 1c is selected, Part 1 of this Attachment B must be completed and Part 2 must include any MBE subcontractors that will partially complete the goal, or, if a total waiver is to be requested, the information in Part 2 may be blank. **Note, this Attachment B must be submitted with the financial proposal regardless of which option (b or c) is selected in section 1 of the Affidavit (MBE Attachment A).**



ATTENTION: If an offeror fails to submit properly completed MBE Attachment A and MBE Attachment B at the time of submittal of the offer as required, the Procurement Officer will deem the offer not reasonably susceptible of being selected for award of contract.

3.) Other Documentation

Within 10 working days from notification that it is the apparent successful offeror, or from the date of award, whichever is earlier, (COMAR 21.11.03.10.B), the apparent successful offeror must submit to the Commission's Procurement Officer:

- a.) A completed *Outreach Efforts Compliance Statement* (see Appendix H, MBE Attachment C), signed by the offeror, which shall be considered as part of the contract. It shall include:
 - (i) A listing of specific work categories identified by the offeror in which there are subcontracting opportunities,
 - (ii) Copies of written solicitations used to solicit certified MBEs for these subcontracting opportunities,
 - (iii) A description of the offeror's attempts to personally contact the solicited MBEs, and
 - (iv) A description of offeror's efforts to fulfill or seek waiver of bonding requirements, if bonding required.
- (b.) A completed *Subcontractor Project Participation Statement* (see Appendix L, MBE Attachment D). This statement must be consistent with the information included on the *MBE Participation Schedule (MBE Attachment B)*, unless any changes in MBE subcontractors have been submitted to and approved by the Commission. The *Subcontractor Project Participation Statement*, which shall be

considered to be part of the contract, shall be signed by both the offeror and each MBE listed and shall include:

- (i) A statement of intent to enter into a contract between the prime contractor and each subcontractor if a contract is executed between the Commission and the prime contractor, and
 - (ii) The amount and type of bonds required of MBE subcontractors, if any.
- (c.) Any other documentation considered appropriate by the Commission to ascertain offeror responsibility in connection with the contract MBE participation goal.

ATTENTION: If the apparent awardee fails to return each completed document within the required time, and in compliance with the requirements of this section B.2, the Procurement Officer may determine that the apparent awardee is not responsible and therefore not eligible for contract award. If the contract has already been awarded, the award is voidable.

4.) MBE Participation Waiver

If the apparent successful offeror is unable to achieve the contract goal for certified MBE participation, the offeror must submit instead of, or in conjunction with an *MBE Subcontractor Project Participation Statement*, a written request for a waiver with justification, to include the following:

- (a) A detailed statement of the efforts made to select portions of the proposed work to be performed by the certified MBE's in order to increase the likelihood of achieving the stated goal;
- (b) A detailed statement of the efforts made to contact and negotiate with certified MBEs including the names, addresses, dates, and telephone numbers of the certified MBEs contacted and a description of the information provided to the certified MBEs regarding plans, specifications, and anticipated time schedules for portions of the work to be performed;
- (c) As to each certified MBE that placed a subcontract quotation or offer that the apparent successful offeror considered not to be acceptable, a detailed statement of the reasons for this conclusion; and
- (d) In the event certified minority subcontractors are found to be unavailable, a signed and notarized *MBE Statement of Unavailability (MBE Attachment E)* must be prepared by the apparent successful offeror, including the names, addresses, dates, and telephone numbers of the certified MBEs contacted, and the reason each MBE is unavailable. A waiver of a certified MBE contract goal shall be granted only upon reasonable demonstration by the apparent successful offeror that certified MBE participation was unable to be obtained or was unable to be obtained at a reasonable price and if the designee determines that a waiver serves the public interest. The Code of Maryland Regulation citation ((COMAR 21.11.03.11) governing the MBE waiver is included as *MBE Attachment F*.

C. MBE Compliance

The Commission will ensure ongoing compliance with subcontracting requirements by way of periodic reviews conducted by the Commission and periodic reporting by both the prime contractor and certified MBE subcontractor(s). To this end the contractor shall:

- 1.) Submit monthly to the Commission as noted below a *Prime Contractor Unpaid MBE Invoice Report (MBE Attachment G)* listing any unpaid invoices, over 30 days old, received from any certified MBE contractor, the amount of each invoice and the reason payment has not been made;
- 2.) Include in its agreement with certified MBE subcontractors a requirement that those subcontractors submit monthly to the Commission, a *Subcontractor Payment Report (MBE Attachment H)* that identifies the prime contract and lists all payments received from the contractor in the preceding 30 days, as well as any outstanding invoices, and the amount of those invoices;

Attention: One copy of each report noted above, is to be submitted monthly to the Commission's Contract Monitor identified in this PART III of this solicitation and to the Office of Community Relations, 5th floor, 201 West Preston Street, Baltimore, MD 21201 (410) 767-6600.

- 3.) Maintain such records as are necessary to confirm compliance with its MBE participation obligations. These records must indicate the identity of certified minority and non-minority subcontractors employed on the contract, the type of work performed by each, and the actual dollar value of the work performed. Subcontract agreements documenting the work performed by all MBE participants must be retained by the contractor and furnished to the Procurement Officer on request;
- 4.) Consent to provide such documentation as reasonably requested and to provide right-of-entry at reasonable times for purposes of the State's representatives verifying compliance with the MBE participation obligations. Contractor must retain all records concerning MBE participation and make them available for Commission inspection for a period of three years after final completion of the contract; and
- 5.) At the option of the procurement agency, upon completion of the contract and before final payment and/or release of retainage, submit a final report in affidavit form and under penalty of perjury, of all payments made to, or withheld from MBE subcontractors.

Upon determining the contractor's non-compliance, the Commission shall notify the contractor in writing of its findings and shall specify what corrective actions are required. The contractor shall be required to initiate the corrective actions within 10 days and complete them within the time specified by the Commission. If the Commission determines that substantial noncompliance with MBE contract provisions exists and that the prime contractor refuses or fails to take corrective action required by the Commission, then the following sanctions may be invoked:

- 1.) Withholding payment;

- 2.) Termination of the contract;
 - 3.) Suspension of the right of the contractor to participate in any future contracts;
 - 4.) Referral to the Office of the Attorney General for appropriate action;
 - 5.) Initiation of any other specific remedy identified by the Contract; and
 - 6.) Any other compliance mechanism authorized in COMAR 21.11.03. or available at law.
- D. If the Commission determines that the contractor has not complied with the certified MBE subcontractor participation goal, and has not obtained a waiver (See Appendix H, MBE Attachment F), the Procurement Officer, upon review by the Office of the Attorney General, may determine the contractor to be in breach of contract. The reasons for this action shall be specified in writing and mailed or delivered to the contractor.
- E. All questions related to MBE certification must be directed to:
- Maryland Department of Transportation
Office of Minority Business Enterprise/Equal Opportunity
P.O. Box 8755
BWI Airport
Baltimore, Maryland 21240
Telephone: (410) 865-1269

2.0 CONTRACT INFORMATION

2.1 DURATION OF CONTRACT The contract(s) resulting from this RFP shall be for a period as stated on the Key Information Summary Sheet. Any renewals shall be exercised at the sole discretion of the Commission, and shall comply with all terms and conditions of the existing contract.

In the event the contract does not commence on the date stated, the contract shall be effective for 14 (fourteen) months from the actual commencement date. At the sole discretion of the Commission, any contract awarded as a result of this RFP may be extended for six months in order to maintain continuity of care or to assure continued delivery of essential goods and services pending award of a subsequent contract. In the event of such an extension:

- A. All terms and conditions of the existing contract shall be in effect.
- B. Compensation to the vendor shall be prorated, based on the most recent annual payment figure.

2.2 PAYMENT TERMS/BILLING

The Contractor will be paid monthly for the number of claims adjudicated and submitted to MHCC for payment. The MHCC reserves the right to reduce or withhold contract payment in the event the contractor does not provide the MHCC with all

satisfactory performance within the time-frame specified in the contract or in the event that the contractor otherwise materially breaches the terms and conditions of the contract. Any such action on the part of the MHCC, or dispute of such action by the contractor, shall be in accordance with the provisions of Title 15 of the State Finance and Procurement Article (Procurement Contract Administration and Dispute Resolution), Annotated Code of Maryland and COMAR 21.10.

Invoices must be addressed to: Ben Steffen, Director, Center of Information and Analysis, MHCC, 4160 Patterson Avenue, Baltimore, Maryland 21215, with one invoice copy marked "copy" submitted to Bridget Zombro, MHCC, 4160 Patterson Avenue, Baltimore, Maryland 21215. All invoices must (at a minimum) be signed and dated in addition to including the vendor's mailing address, the vendor's Social Security number or Federal Tax ID number, the MHCC's assigned contract number, the goods/services provided, the time period covered by the invoice, and the amount of requested payment.

Any contract with a value over \$200,000 that requires the Board of Public Works approval must adhere to the following clause:

By submitting a response to this solicitation, the Bidder/Offeror agrees to accept payments by electronic funds transfer unless the State Comptroller's Office grants an exemption. The selected Bidder/Offeror shall register using the attached form COT/GAD X-10 Vendor Electronic Funds Registration Request Form (Appendix G). Any request for exemption must be submitted to the State Comptroller's Office for approval and must include the business identification information as stated on the form and include the reason for the exemption.

2.3 CONTRACT TYPE

The contract that results from this RFP shall be a fixed unit price, indefinite quantity contract and reimbursement of claims as provided in COMAR 21.06.03.02A (2) and 21.06.03.06. with respect to the services required in Part I Section 4.1.

2.4 SUBCONTRACTING

With prior written approval by the State, the successful offeror may subcontract certain elements of a contract awarded as a result of this RFP. Notwithstanding any subcontracting arrangement, the successful offeror shall be held fully responsible to the Commission for the proper accomplishment of all elements of the contract.

Except for those subcontractors which are to be used solely to meet MBE participating goals, all subcontractors must be identified in the offeror's proposal, including a description of the subcontractor's role in the performance of the contract.

Subcontractors must meet the same mandatory requirements as the primary contractor, and will have to comply with the provisions of this RFP concerning staff qualifications and experience for the specific levels of services required for this contract.

2.5 CONTRACT DOCUMENT

Part V of this RFP will serve as the contract between the Commission and the offeror for goods/services detailed in Part I of this RFP. All requirements, conditions, and stipulations contained therein shall prevail once all mandated approvals have been received and the contract is executed by the Commission and the successful vendor.

2.6 INSURANCE REQUIREMENTS

Workers' Compensation: The contractor shall maintain such insurance as necessary and/or as required under Workers' Compensation Acts, U.S. Longshoremen's and Harbor Workers' Compensation Act, and the Federal Employers' Liability Act, as well as any other applicable statute. The Contractor will name the State of Maryland as an Additional Named Insured on all liability policies (Workers' Compensation excepted) and provide certificates of insurance evidencing this coverage prior to the commencement of any activities.

2.7 AMENDMENTS

Any amendment to this contract must first be agreed to in writing by both parties and approved by the Procurement Officer, or other authorized officer of The Department, subject to any additional approvals as may be required by State law. No amendment to this contract shall be binding unless so approved.

2.8 RECIPROCAL PREFERENCES

Although Maryland law does not authorize procuring agencies to favor resident bidders in awarding procurement contracts, many other states do grant their resident businesses preferences over Maryland contractors. Therefore, as described in COMAR 21.05.01.04, a resident business preference will be given if: a responsible Offeror whose headquarters, principal base of operations, or principal site that will primarily provide the services required under this RFP is in another state submits the most advantageous offer; the other state gives a preference to its residence through law, policy, or practice; and, the preference to be applied to the contract award herein does not conflict with a Federal law or grant affecting the procurement contract. The preference given shall be identical to the preference that the other state, through law, policy, or practice gives to its residents.

2.9 HIPAA REQUIREMENT

The contractor must comply with all Health Insurance Portability and Accountability Act of 1996, (HIPAA) Administrative Simplification provision requirements regarding the use and protection of patient identifiable information. Refer to Appendix B for a

list of specific areas in which an offeror shall define procedures and processes.

2.10 MANDATORY CONTRACT CLAUSES

All vendors should thoroughly review the following mandatory contract clauses. Upon contract award, the successful offeror will be required to fully abide by these provisions in addition to the actual delivery of services as detailed in Part I of this RFP.

Both parties agree that the following mandatory contract provisions are hereby incorporated into and made an integral part of this RFP and resulting contract(s), if any.

1. **MANDATORY DISCLOSURE**

Vendors, and contractors providing materials, equipment, supplies, or services to the State of Maryland shall comply with the provisions of Section 13-221 of the State Finance and Procurement Article of the Annotated Code of Maryland, which requires that every business that enters into contracts, leases, or other agreements with the State of Maryland or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more, shall, within thirty days of the time when the aggregate value of these contracts, leases, or other agreements reaches \$100,000, file with the Secretary of the State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

2. **ACCESS TO PUBLIC RECORDS ACT NOTICE**

An offeror must identify those portions of its proposal which it believes to contain trade secrets and/or confidential or proprietary information. The offeror must provide justification in support of its position. Offerors are advised that, upon request for this information from a third party, the Procurement Officer is required to make an independent determination as to whether the information may or may not be disclosed to the requesting party under the requirements of the Maryland Public Information Act. That decision will take into consideration the offeror's position regarding its proposal. A blanket statement by an offeror that its entire proposal is confidential or proprietary is unacceptable.

3. **APPROVALS**

This contract may be subject to approval by the Office of the Attorney General, the Maryland Department of Budget Management, and the Board of Public Works.

4. **MULTI-YEAR CONTRACTS**

If the General Assembly fails to appropriate funds, or if funds are not otherwise made available for continued performance of the contract for any fiscal period of the contract succeeding the first fiscal period, the contract shall be automatically canceled as of the beginning of the fiscal year for which funds were not appropriated or otherwise made available; provided, however, that this will not affect either the Commission's rights or the Contractor's rights under any other termination clause in the contract. The effect of termination of the contract hereunder will be to discharge both the Contractor and the Commission from future performance of the contract, but not from their rights and obligations existing at the time of termination. The Contractor shall be reimbursed for the reasonable value of any non-recurring costs incurred, but not amortized in the price of the Contract. The Commission shall notify the Contractor as soon as it has knowledge that funds may not be available for the continuation of this Contract for each succeeding fiscal period beyond the first.

5. **MODIFICATION OF CONTRACT - GENERAL**

This contract may be amended as the Procurement Officer and the Contractor mutually agree in writing (subject to any necessary approvals of the Office of the Attorney General, Department of Budget and Management and, in certain cases, the Board of Public Works). No amendment may change significantly the scope of the original solicitation or, if none, the original contract. An amendment to this contract does not alter the other terms of the contract, except to the extent necessary to make them consistent with the amendment. This contract may not be amended to provide salary and wage increases for the Contractor's employees with the intention of making these increases consistent with salary and wage increases given to employees of the State except as provided in Title 10, Section 10-905 of the Health-General Article, Annotated Code of Maryland.

6. **MODIFICATION OF CONTRACT - SALARY INCREASES AND EMERGENCIES**

Subject to the approval of the Department of Budget Management, the Commission shall have the ability to supplement this contract for:

- A. Increases in salaries without consequent increases in deliverables if the increase in salaries results from increases in specific appropriations for that purpose, or
 - B. Unanticipated emergencies impairing the ability of the provider, through no fault of its own, to perform as per this contract.
7. NON - HIRING OF STATE EMPLOYEES
No employees of the State of Maryland, or any department, commission, agency or branch thereof, whose duties as such employee include matters relating to or affecting the subject matter of this contract shall, while such employee, become or be an employee of the party or parties hereby contracting with said State of Maryland, or any department, commission, agency or branch thereof.
8. CONFLICT OF INTEREST LAW
It is unlawful for any State officer, employee, or agent to participate personally in his official capacity through decision, investigation in any contract or other matter in which he, his spouse, parent, minor child, brother, or sister has a financial interest or to which any firm, corporation, association, or other organization in which he has a financial interest or in which he is serving as an officer, director, trustee, partner, or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, is a party, unless such officer, employee, or agent has previously complied with the provision of Section 15-501 et seq. of the Annotated Code of Maryland.
9. CLAIMS
This contract shall be subject to the provisions of Title 15 of the State Finance and Procurement Article (Procurement Contract Administration and Dispute Resolution), Annotated Code of Maryland and COMAR 21.10. In accordance with the requirement of COMAR 21.10.04.02 the Contractor must file a written notice of a claim with the procurement officer within thirty days after the basis for the claim is known or should have been known, whichever is earlier, but no later than the date final payment is made under the contract. Pending a resolution of a claim, the Contractor shall proceed diligently with the performance of the contract in accordance with the Procurement Officer's instructions.
10. MARYLAND LAW PREVAILS
The Provisions of this contract shall be governed by the laws of Maryland.
11. NON-DISCRIMINATION IN EMPLOYMENT
The Contractor shall operate under this agreement so that no person, otherwise qualified, is denied employment or other benefits on the grounds of race, color, sex, creed, national origin, age, marital status, religion, ancestry, or physical or mental handicap which would not reasonably preclude the required performance. Except in sub-contracts for standard commercial supplies or raw materials, the Contractor shall include a clause similar to this clause in all sub-contracts. The Contractor and each sub-contractor shall post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.
12. CONTINGENT FEE PROHIBITION
The Contractor warrants that it has not employed or retained any person, partnership, corporation, or other entity, other than a bonafide employee or agent working for the contractor to solicit or secure this agreement, and that it has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bonafide employee or agent, any fee or other consideration contingent on the making of this agreement.
13. TERMINATION FOR DEFAULT
The rights and remedies of the State under the contract are cumulative. The enforcement of any right or election of any remedy by the State provided by the contract for any breach of the contract will not preclude the State from enforcing other rights and availing itself of other remedies available under the contract for the same breach or any other breach of the contract.

If the contractor fails to properly perform its obligations under the contract, the State may correct such deficiencies at the contractor's expense.

If the Contractor fails to fulfill its obligations under this contract properly and on time, or otherwise violates any provision of the Contract, the Commission may terminate the contract by written notice to the Contractor. The notice shall specify the acts or omissions relied upon as cause for termination. All finished or unfinished work provided by the Contractor shall, at the Commission's option, become the State's property. The Commission shall pay the Contractor fair and equitable compensation for satisfactory performance prior to receipt of notice of termination, less the amount of damages caused by the Contractor's breach. If the damages are more than the compensation payable to the Contractor, the Contractor will remain liable after termination and the Commission can affirmatively collect damages. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.11B.

14. TERMINATION FOR CONVENIENCE

The performance of work under this contract may be terminated by the Commission in accordance with this clause in whole, or from time to time in part, whenever the Procurement Officer shall determine that the termination is in the best interest of the State. The Commission will pay all reasonable costs associated with this contract that the Contractor has incurred to the date of termination and all reasonable costs associated with termination of the contract. However, the Contractor shall not be reimbursed for any anticipatory profits which have not been earned up to the date of termination. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.11B.

15. TAX EXEMPTIONS

The State is generally exempt from Federal excise taxes, Maryland sales and use taxes, District of Columbia sales taxes and transportation taxes. Exemption certificates shall be completed upon request. Where a Contractor is required to furnish and install material in the construction or improvement of real property in performance of a contract, the Contractor shall pay the Maryland sales tax and the exemption does not apply.

16. LAWS TO BE OBSERVED

The Contractor shall keep fully informed of and comply with all federal, state, and local laws, ordinances, and regulations and all orders and decrees of bodies or tribunals having any jurisdiction or authority, which in any manner affect those engaged or employed to carry out this contract, or which in any way otherwise affect the performance of this contract.

17. NON-ASSIGNMENT

The Contractor may not, during the term of this contract or any renewals or extensions of the contract, assign or sub-contract all or any part of the contract without the prior written consent of the Department's Procurement Officer. However, the contractor may assign monies receivable under a contract after due notice to the contract monitor.

18. DOCUMENTS RETENTION AND INSPECTION CLAUSE - OTHER THAN RESIDENTIAL HEALTH CARE FACILITIES CONTRACTS

The Contractor and sub-contractors shall retain and maintain all records and documents relating to this contract for a period of three (3) years after final payment by the State hereunder or any applicable statute of limitations, whichever is longer, and shall make them available for inspection and audit by authorized representatives of the State, including the procurement officer or designee, at all reasonable times.

19. DOCUMENTS RETENTION AND INSPECTION CLAUSE - RESIDENTIAL HEALTH CARE FACILITIES CONTRACTS

If the Contractor supplies services to a State residential health care facility under the Mental Hygiene Administration, the Local and Family Health Administration, the Alcohol and Drug Abuse Administration, or the Developmental Disabilities Administration, the Contractor agrees, in addition to the requirements of Clause 17, above:

- (1) That pursuant to 42 Code of Federal Regulations (C.F.R.) Part 420, the Secretary of Health and Human Services, and the Comptroller General of the United States, or their duly authorized representatives, shall be granted access to the Contractor's contract, books, documents and records necessary to verify the cost of the services provided under this contract, until the expiration of four years after the services are furnished under this contract;
- (2) That similar access will be allowed to the books, documents and records of any organization related to the Contractor or controlled by the Contractor (as those terms are defined in 42 C.F.R. (420.301) if that organization is sub-contracting to provide services with a value of \$10,000 or more in a twelve-month period to be reimbursed through funds provided by this contract.

20. INDEMNITY (HOLD HARMLESS) CLAUSE

A. Definitions:

For the purpose of this clause only, the following terms have the meanings indicated:

- (1) "Contractor" means the Contractor, its officers, employees, agents, and representatives.
- (2) "State" means the State, its departments, agencies, officials, officers, and employees.
- (3) "Subcontractor" means any sub-contractor of the contractor, its officers, employees, agents, and representatives.

B. Indemnification by Contractors

The contractor shall indemnify and hold the State of Maryland harmless for any cost, expense, loss, liability, fine, or penalty of any nature or character whatsoever that the State may incur as a result of a failure of the contractor, or its subcontractor(s), to comply with the terms of this agreement (or any part thereof), negligence of the contractor, injury or death to any person, damage to property, nuisance (public or private), or trespass arising out of or attributable to the performance of work by the contractor or its subcontractor(s), except to the extent caused by the negligent or willful act or omission of the State or its employees, agents, or independent contractors, other than the contractor, or its subcontractor(s).

The contractor further agrees to indemnify the State for damage, loss, or destruction of State property in the contractor's care, custody, and/or control during the term of this contract due to the action or inaction of the contractor or its subcontractor(s).

State law prohibits the State from incurring, by way of an indemnity agreement, a potentially unlimited liability when no funds have been appropriated to fund the liability, the risk is uninsured, and the indemnity agreement is not conditioned upon the future appropriation of funds to satisfy the liability. Notwithstanding any other provisions of the contract documents, the State shall have no liability to the contractor under the circumstances described in this paragraph.

C. Liability of the State

The State has no obligation to provide legal counsel or legal defense to the Contractor or its sub-contractors in the event that a suit, claim or action of any character is brought by any person or persons not party to the contract against the Contractor or its sub-contractors as a result of or relating to the Contractor's obligations under this contract.

The State has no obligation for the payment of any judgments or the settlement of any claims made against the Contractor or its sub-contractors as a result of or relating to the Contractor's obligations under this contract.

D. Notice of Cooperation in Litigation

The Contractor will immediately give notice to the Procurement Officer of any claim or suit made or filed against the Contractor or its sub-contractors regarding any matter resulting from or relating to the Contractor's obligations under this contract, and will cooperate, assist and consult with the State in the defense or investigation of any claim, suit, or action made or filed against the State as a result of or relating to the Contractor's obligations under this contract.

21. COST AND PRICE CERTIFICATION

If this contract is a negotiated contract that exceeds \$100,000 and for any change orders or modifications to this contract that exceed \$100,000, the following clauses apply:

- A. The Contractor shall submit cost or price information and shall certify that, to the best of its knowledge, the information submitted is accurate, complete, and current as of a mutually determined specified date prior to the conclusion of any price discussions or negotiations for:
 - (1) A negotiated contract if the total contract price is expected to exceed \$100,000, or a smaller amount set by the Procurement Officer; or
 - (2) A change order or contract modification, expected to exceed \$100,000, or a smaller amount set by the Procurement Officer.
- B. The price under this Contract and any change order or modification hereunder, including profit or fee, shall be adjusted to exclude any significant price increases occurring because the Contractor furnished cost or price information which, as of the date agreed upon between the parties, was inaccurate, incomplete, or not current.

22. PAYMENT OF STATE OBLIGATIONS

Electronic funds transfer will be used by the State to pay Contractor for this Contract and any other State payments due Contractor unless the State Comptroller's Office grants Contractor an exemption.

23. PAYMENT OF STATE OBLIGATIONS AND INTEREST

- A. Payments to the Contractor pursuant to this Contract shall be made no later than 30 days after the State's receipt of a proper invoice from the Contractor. Charges for late payment of invoices, other than as prescribed by Title 15, Subtitle 1, of the State Finance and Procurement Article, Annotated Code of Maryland, or by the Public Service Commission of Maryland with respect to regulated public utilities, as applicable, are prohibited.
- B. Section 15-104 et. seq. of the State Finance and Procurement Article, Annotated Code of Maryland, provides that the State shall remit payment to the Contractor within forty-five (45) days after receipt of a proper invoice pursuant to any authorized, written procurement contract. Except as provided in Section 15-105 of this Article, the State's failure to remit payment within this period may entitle the Contractor to interest at the rate specified in 15-104 of this Article, for the period that begins thirty one (31) calendar days after the receipt date. This amount, if paid, shall be in lieu of payment of any other late charge(s) by the State.
- C. For purposes of this contract, an amount will not be deemed "due and payable" and interest payments will not be authorized for late payments unless the following conditions have been met:

- (1) The amount invoiced is consistent with the amount agreed upon by the parties to the contract.
- (2) The goods or services have been received by the State and the quantity received agrees with the quantity ordered.
- (3) The goods or services meet the qualitative requirements of the contract and have been accepted by the State.
- (4) The proper invoice has been received by the party or unit of government specified in the contract.
- (5) The invoice is not in dispute.
- (6) If the contract provides for progress payments, the proper invoice for the progress payment has been submitted pursuant to the schedule contained in the contract.
- (7) If the contract provides for withholding a retainage and the invoice is for the retainage, all stipulated conditions for release of the retainage have been met.

D. In order to receive payment of interest, the Contractor must submit a proper invoice for accrued interest within 30 calendar days after the payment date (i.e., the date of the check from the State Treasurer that pays the Contractor for the goods supplied or the service rendered) of the amount on which the interest accrued. Interest may not be claimed (1) if a claim has been filed under Title 15, State Finance and Procurement Article (Procurement Contract Administration and Dispute Resolution) Annotated Code of Maryland, (2) for more than one year following the 31st calendar day after the date that a proper invoice is received by a State agency, or (3) on an amount representing unpaid interest.

24. INSPECTION OF PREMISES

The Contractor agrees to permit authorized officials of the State to inspect, at reasonable times, its plant, place of business, job site, or any other location which is related to the performance of the contract.

25. INCORPORATION BY REFERENCE

In the event of contract award, the contract shall consist of the RFP, including all addenda, exhibits, and attachments, and the entire proposal submitted by the successful offeror except for any portions specifically excluded by contract. This shall constitute the entire agreement between the contracting parties, superseding all representations, commitments, conditions, or agreements which may have been made orally or in writing prior to the execution of the contract.

Any amendment to this contract must be in writing and be approved by the Procurement Officer, or other authorized officer of the Commission, subject to any additional approvals as may be necessitated by State law.

26. SPECIFICATIONS

All materials, equipment, supplies or services shall conform to Federal and State laws and regulations and to the specifications contained in the solicitation.

27. DELIVERY

Delivery shall be made in accordance with the bid specifications. The State reserves the right to test any materials, equipment, supplies, or services delivered to determine if the specifications have been met. The materials listed in the proposal shall be delivered FOB the point or points specified prior to or on the date specified in the proposal. Any material that is defective or fails to meet the terms of the solicitation specifications shall be rejected. Rejected materials shall be promptly replaced. The State reserves the right to purchase replacement materials in the open market. Contractors failing to promptly replace materials lawfully rejected shall be liable for any excess price paid for the replacement, plus applicable expenses, if any.

28. CIVIL RIGHTS ACT OF 1964

Vendors and Contractors providing materials, equipment, supplies or services to the Commission under this Contract herewith assure the State that they are conforming to the provision of Section 13-219 of the State Finance and Procurement Article, Annotated Code of Maryland, the Civil Rights Act of 1964, and Section 202 of Executive Order 11246 of the President of the United States of America as amended by Executive Order 11375, as applicable.

29. ANTI-BRIBERY

Vendors and Contractors are required to be aware of the State Finance and Procurement Article, Section 16-203 of the Annotated Code of Maryland which requires that any person convicted of bribery, attempted bribery, or conspiracy to bribe based upon acts committed after June 30, 1977, in the obtaining of a contract from the State or any of its subdivisions, shall be subject to disqualification pursuant to State Finance and Procurement Article, Section 16-203, Annotated Code of Maryland from entering into a contract with the State, or any county or other subdivision of the State, for the supply of materials, supplies, equipment, or services by the person.

30. REGISTRATION

Pursuant to Section 7-201 et. seq. of the Corporations and Associations Article of the Annotated Code of

Maryland, corporations not incorporated in the State shall be registered with the State Department of Assessments and Taxation, 301 West Preston Street, Baltimore, Maryland 21201, before doing any interstate or foreign business in this State. Before doing any intrastate business in this State, a foreign corporation shall qualify with the Department of Assessments and Taxation.

31. EPA COMPLIANCE

Materials, supplies, equipment, or services shall comply in all respects with the Federal Noise Control Act of 1972, where applicable.

32. OCCUPATIONAL SAFETY AND HEALTH ACT (O.S.H.A.)

All materials, supplies, equipment, or services supplied as a result of this Contract shall comply with the applicable U.S. and Maryland Occupational Safety and Health Act standards.

33. PATENTS, COPYRIGHTS, TRADE SECRETS & INDEMNIFICATION

If the contractor furnishes any design, device, material, process, or other item which is covered by a patent or copyright, or which is proprietary to, or a trade secret of another, it is solely the responsibility of the contractor to obtain the necessary permission or license to use such item or items. The contractor hereby grants to the Commission a royalty-free, nonexclusive, and irrevocable license to publish, translate, reproduce, deliver, perform, dispose of, and to authorize others to do so, all data now and hereafter covered by copyright.

If any products furnished by the contractor become, or in the contractor's opinion are likely to become, the subject of a claim of infringement, the contractor will, at its option: a) procure for the State the right to continue using the applicable item, b) replace the product with a non-infringing product substantially complying with the item's specifications, or c) modify the item so that it becomes non-infringing and performs in a substantially similar manner to the original item.

If the contractor obtains or uses for purposes of the contract (or any subcontracts) any design, device, material, process, supplies, equipment, text, instructional material, services or other work, the contractor shall indemnify the State, DHMH, their officials, agents, and employees with respect to any claim, action, cost, or judgment for patent, trademark, or copyright infringement, arising out of the possession or use of any design, device, material, process, supplies, equipment, text, instructional material, services or other work covered by this contract.

34. STATE CONTRACT PREVAILS

Whenever a Vendor/Contractor's Standard Contract is used along with this State's RFP document, including Section VII of the RFP as the Contract document, this RFP document, including Section VII of this RFP as the Contract document, shall prevail in the event of conflict between any provision of the two contracts when the State determines it to be in its best interest.

35. VARIATIONS IN ESTIMATED QUANTITIES

If this contract contains estimated quantity items, the following provision applies:

Where the quantity of a pay item in this contract is an estimated quantity and where the actual quantity of such pay item varies more than twenty-five percent (25%) above or below the estimated quantity stated in this contract, an equitable adjustment in the contract price shall be made upon demand of either party. The equitable adjustment shall be based upon any increase or decrease in costs due solely to the variation above one hundred twenty-five percent (125%) or below seventy-five percent (75%) of the estimated quantity. If the quantity variation is such as to cause an increase in the time necessary for completion, the procurement officer shall, upon receipt of a written request for an extension of time within ten (10) days from the beginning of the delay, or within a further period of time which may be granted by the procurement officer before the date of final settlement of the contract, ascertain the facts and make the adjustment for extending the completion date as in his judgment the findings justify.

36. LIQUIDATED DAMAGES

Time is an essential element of the contract and it is important that the work be vigorously performed until completion. For each day that any work shall remain uncompleted beyond the time(s) specified elsewhere in the contract, the Contractor shall be liable for liquidated damages in the amount(s) provided for in the solicitation, provided, however, that due account shall be taken of any adjustment of specified completion time(s) for completion of work as granted by approved change orders. If no amount is specified in the solicitation or there is no solicitation, the amount of liquidated damages shall, at the discretion of the Department, be \$1,000 or a lesser amount per day for each day that the contractor does not meet any specified completion time(s) not otherwise adjusted by an approved change orders(s).

37. SUSPENSION OF WORK AND OTHER REQUIRED PROVISIONS

Both parties agree that pursuant to Section 13-218 of the State Finance and Procurement Article, Annotated Code of Maryland, the State has: 1) the unilateral right to order in writing changes in the work within the scope of the contract; 2) the unilateral right to order in writing a temporary stop or delay in performance. In this regard, the procurement officer unilaterally may order the Contractor in writing to

suspend, delay, or interrupt all or any part of the work for such period of time as he may determine to be appropriate for the convenience of the State. All regulations promulgated in COMAR pursuant to the above provisions shall be made part of this Contract.

38. NO PRIMARY DRAFTER

Neither party shall be construed to be the primary drafter of this Contract.

39. RIGHTS IN DATA

Work produced as a result of this solicitation is and shall remain the sole property of the MHCC/Commission.

The contractor agrees that all documents, equipment, and materials, including but not limited to, reports, drawings, studies, specifications, estimates, texts, computer software including software documentation and related materials, maps, photographs, designs, graphics, mechanicals, artwork, computations and data prepared by or for, or purchased by or for, the contractor because of this contract shall, at any time during the term of the contract, be available to Commission and shall become and remain the exclusive property of Commission during and upon termination or completion of the services required to be performed under this contract.

The Commission shall have the right to use same without restriction and without compensation to the contractor other than that provided in this contract.

The contractor agrees that, at all times during the term of this contract and thereafter, the works created and services performed shall be "works made for hire" as that term is interpreted under U.S. copyright law. To the extent that any products created under this contract are not works for hire for MHCC, the contractor hereby transfers and assigns to MHCC all of its rights, title and interest (including all intellectual property rights) to all such products created under this contract, and will cooperate reasonably with MHCC in effectuating and registering any necessary assignments.

The contractor shall report to the Commission, promptly and in written detail, each notice or claim of copyright infringement received by the Vendor with respect to all data delivered under this agreement.

The contractor shall not affix any restrictive markings upon any data and if such markings are affixed, the Commission shall have the right at any time to modify, remote, obliterate, or ignore such markings.

40. DELAYS AND EXTENSIONS OF TIME

The Contractor agrees to perform the work continuously and diligently and no charges or claims for damages shall be made by it for any delays or hindrances from any cause whatsoever during the progress of any portion of the work specified in this Contract.

Time extensions will be granted only for excusable delays that arise from unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including but not restricted to, acts of God, acts of the public enemy, acts of the State in either its sovereign or contractual capacity, acts of another Contractor in the performance of a contract with the State, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or delays of subcontractors or suppliers arising from unforeseeable causes beyond the control without the fault or negligence of either the Contractor or the subcontractors or suppliers.

41. PRE-EXISTING REGULATIONS

In accordance with the provisions of Section 11-206 of the State Finance and Procurement Article, Annotated Code of Maryland, the regulations set forth in Title 21 of the Code of Maryland Regulations (COMAR Title 21) in effect on the date of execution of this Contract are applicable to this Contract.

42. POLITICAL CONTRIBUTION DISCLOSURE

The Contractor shall comply with Election Law Article, Section 14-101 through 14-108 of the Annotated Code of Maryland, which requires that every person that enters into contracts, leases or other agreements with the State, a county or an incorporated municipality, or their agencies, during a calendar year in which the person receives in the aggregate \$100,000 or more, shall file with the State Board of Elections a statement disclosing contributions in excess of \$500 made during the reporting period to a candidate for elective office in any primary or general election. The statement shall be filed with the State Board of Elections: 1) before a purchase or execution of a lease or contract by the State, a county, an incorporated municipality or their agencies, and shall cover the preceding two calendar years; and (2) if the contribution is made after the execution of a lease or contract, then twice a year, throughout the contract term, on: (a) February 5, to cover the month period ending January 31; and (b) August 5, to cover the 6-month period ending July 31.

43. COMPLIANCE WITH LAWS

The Contractor hereby represents and warrants that:

- A. It is qualified to do business in the State of Maryland and that it will take such action as, from time to time hereafter, may be necessary to remain so qualified;
- B. It is not in arrears with respect to the payment of any monies due and owing the State of Maryland, or any department or unit thereof, including but not limited to the payment of taxes and employee benefits, and that it shall not become so in arrears during the term of this Contract;
- C. It shall comply with all Federal, State and local laws, regulations, and ordinances applicable to its activities and obligations under this Contract; and
- D. It shall obtain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under this Contract.

44. PROHIBITION OF SEXUAL HARASSMENT

The Contractor shall operate under this agreement so that no employee or client is subjected to sexual harassment in the workplace or in locations and situations otherwise associated with the performance of duties per the terms of this contract. Further, except in sub-contracts for standard commercial supplies or raw materials, the Contractor shall include this clause, or a similar clause approved by DHMH, in all sub-contracts. The Contractor has primary responsibility for enforcement of these provisions and for securing and maintaining the sub-contractor's full compliance with both the letter and spirit of this clause.

45. FEDERAL LOBBYING PROHIBITION

From time to time the Department may be the recipient of grants, cooperative agreements, loans, or contracts from the Federal government. In accordance with Section 1352 of Title 31 of the United States Code, this Department and all subgrantees, subcontractors, etc., of this Department are prohibited from using any Federal funds so received for the purpose of lobbying Congress or any Federal agency in connection with the awarding of a particular contract, grant, cooperative agreement, or loan.

Further, any recipient of such Federal funds including subgrantees, subcontractors, etc., which receives over \$100,000 in Federal monies must also file a "Disclosure of Lobbying Activities" form (Federal Form SF-LLL), which requires the disclosure of any and all such lobbying activities, even those funded with non-Federal monies.

By entering into a contract with the Department the Contractor/Vendor hereby specifically agrees to abide by all applicable requirements of 31 United States Code, Section 1352.

46. CENTURY COMPLIANCE WARRANTY

The Contractor warrants that the products provided or systems developed under this contract are century compliant. "Century Compliant" means the product:

- 1. Is able to process date data accurately - including date data century recognition, calculations that accommodate same century and multi-century formulas and date values (including leap year factors), and date data interface values that reflect the century - when used either in a stand-alone configuration or in combination with other century compliant products used by the State.
- 2. Will not abnormally terminate its function or provide or cause invalid or incorrect results due to incompatibility with the calendar year.

In addition to any other warranties applicable to this contract or any remedies otherwise available to the State, the contractor agrees to promptly repair or replace any product furnished under this contract that is not century compliant, provided the State gives notice within reasonable time following discovery of such failure.

47. USE OF FUNDS

All funds received by the Vendor in connection with this award will be utilized for the purpose of the approved project. All expenditures not in accordance with the award, or its modifications, are the responsibility of the Vendor.

2.11 False Statements.

Offerors are advised that section 11-205.1 of the State Finance and Procurement Article of the Annotated Code of Maryland provides as follows:

- (a) In connection with a procurement contract a person may not willfully:

- § Falsify, conceal, or suppress a material fact by any scheme or device;
- § Make a false or fraudulent statement or representation of a material fact; or
- § Use a false writing or document that contains a false or fraudulent statement or entry of a material fact.

(b) A person may not aid or conspire with another person to commit an act under subsection (a) of this section.

(c) A person who violates any provision of this section is guilty of a felony and on conviction is subject to a fine not exceeding \$20,000 or imprisonment not exceeding five (5) years or both.

PART V

CONTRACT

The pages in this section must be completely filled out and appropriately signed and dated. In doing so, the vendor binds itself to all of the provisions, terms, and specifications contained in this RFP, Sections I through VI, including all Exhibits, Appendices, and Addenda, as well as its final proposal submitted in response to the RFP as set forth in Part E, which shall specifically be incorporated into this contract by reference.

- A. **PARTIES TO THE CONTRACT:** Each party to this agreement represents and warrants to the other that it has the full right, power, and authority to execute this contract. The contractual agreement resulting from this RFP, **MHCC 07- 020**, is by and between _____, hereinafter called the *Contractor* or the *Vendor*, and the Maryland Health Care Commission, a unit of the State of Maryland Department of Health and Mental Hygiene, hereinafter called the *State*, the *Department*, and/or *DHMH*.

IN CONSIDERATION OF the premises and the covenants herein contained, the parties agree as follows:

- B. **FINAL CONTRACT TERM --** The official commencement and termination dates of the original contract period and any options, shall be:

	Commencement	Termination
Contract Term	<u>December 1, 2006</u>	<u>January 31, 2008</u>

Total Potential Cost of Contract _____
With any and all Options _____

- C. **FINAL CONTRACT PRICE(S) --** This section will reflect the final not to exceed (NTE) cost of this contract and, if applicable, unit cost(s) as well as actual or estimated quantities.

	NTE Cost	Breakdown If Applicable
Total NTE Contract Amount	_____	_____

- D. **CONTRACT AND APPROVAL IDENTIFIERS --** Identifiers for this contract shall include, but are not necessarily be limited to:

Contract Number: **MHCC 07-020**

ADPICS Number:

- E. **INCORPORATION BY REFERENCE --** Documents in addition to this RFP document Parts I through VI, including all Exhibits, Appendices, and Addenda or the successful offeror's proposal to be incorporated into this contract by reference must be specifically identified in this section.

1. A successful offeror's entire final proposal including both the financial and the

technical elements shall be incorporated into this contract by reference, except for anything listed in "Exclusions", in F., below. Incorporation by reference, however, does not necessarily create a public record permissible for disclosure.

2. This proposal (comprised of both technical and financial elements), less anything listed in "Exclusions", in F., below.

<u>Document Description</u>	<u># of Pages</u>	<u>Date</u>
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- F. EXCLUSIONS -- Any approved exclusions to the provisions, terms, and specifications contained in the RFP, Parts I through VI, including all Exhibits, Appendices, and Addenda or the offeror's proposal must be specifically identified in this section.

<u>Exclusion (Description)</u>	<u># of Pages</u>	<u>Date</u>
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- G. ADDITIONAL SPECIFIC CONTRACT TERMS -- Any items or narratives which are not contained in an incorporated document and are not noted in either the Bid/Proposal or Contract Affidavit must be listed here if they are to be included as terms/conditions of this contract.

<u>Additional Contract Terms</u>	<u># of Pages</u>	<u>Date</u>
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In Witness Whereof, the parties hereto have set their hands and seals:

(Signatory for the CONTRACTOR)

By: _____
(Signature)

Name (Typed)

Title (Typed)

Date

(Signatory for the COMMISSION shall be
the Secretary or designee)

By: _____
Rex W. Cowdry, Executive Director

OR

(Signature)

Name (Typed)

Title (Typed)

(Designee of the Secretary of the Department)

Date of signing

Approved as to form and Legal Sufficiency

This _____ day of _____ 20 _____

By: _____

Name (Typed)

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APPENDICIES

APPENDIX A



**Department of Budget and Management
Office of Information Technology**

**Information Technology
Security Policy and Standards
Version 1.3**

December 2005

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Introduction

This document provides policy and supporting standards for information technology (IT) security. The policy applies to Executive agencies of the State of Maryland, and establishes general requirements and responsibilities for protecting technology systems, including the responsibility for each agency to have its own technology security plan. The standards establish minimum levels of compliance.

The policy covers such common technologies as computers, data and voice networks, wireless systems, web systems, and many other more specialized resources. The policy is necessitated by the State's use of IT to help carry out nearly all of its public services and internal operations. The State's delivery of critical public services depends on the availability, reliability and integrity of its IT systems. Therefore each agency must adopt appropriate methods to protect its technology systems. While some agencies will need to adopt stronger standards and methods, the statewide program based on this policy provides the minimum requirements and a consistent approach for security.

The common security approach also supports compatible security solutions shared among agencies, yielding a better return on technology investment. The security policy and standards will evolve and will require regular updates to remain current.

The Secretary of the Department of Budget and Management issues the policy and standards under authority granted by the Annotated Code of Maryland, Finance and Procurement Article § 3-401 through 3-413 and § 3-701 through 3-705. The Office of Information Technology within the Department of Budget and Management administers the policy.

Persons with questions or needing further information are encouraged to contact the Information Technology Security Officer in the Office of Information Technology (410-260-7778).

Section: 1	Revision: 2
Date Adopted: June 2003	Date Revised: December 2005

1 Information Technology Security Policy

Information and information technology systems are essential assets of the State of Maryland. They are vital to the citizens of the State. Information assets are critical to the services that agencies provide to citizens, businesses, and educational institutions, as well as to local and federal government entities and to other State agencies. All information created with State resources for State operations is the property of the State of Maryland. All agencies, employees, and contractors of the State are responsible for protecting information from unauthorized access, modification, disclosure and destruction.

Each agency of the Executive Branch of the State is responsible for compliance with this policy and these standards. The Office of Information Technology (OIT) of the Department of Budget and Management and agency IT components are to use this policy and these standards as a guide when procuring IT services, service providers, contractors, software, hardware and network components.

1.1 Scope

This policy covers all information that is electronically generated, received, stored, printed, filmed, and typed. In accordance with the Annotated Code of Maryland, State Finance and Procurement Article, Section 3-401 through 3-413 and Section 3-701 through 3-705, the provisions of this policy apply to:

- All units of the Executive Branch of the State of Maryland for all of their IT systems regardless of who is operating them;
- All activities and operations required to ensure data security including facility design, physical security, disaster recovery and business continuity planning, use of hardware and operating systems or application software, data disposal, and protection of copyrights and other intellectual property rights.

1.2 Objectives

This policy and these standards define the minimum requirements to which each State agency, including employees and contractors, must adhere. The primary objectives of the IT Security Policy are:

- To establish a secure environment for the processing of data;
- To reduce information security risk;
- To communicate the responsibilities for the protection of information.

1.3 Previous Policy Superseded

This policy and these standards supersede the policies and standards as previously stated in the “State Agency Data Systems Security Practices” as revised (1999).

1.4 Authority

The Office of Information Technology of the Department of Budget and Management has authority to set policy and provide guidance and oversight for security for all IT systems in accordance with the Annotated Code of Maryland, State Finance and Procurement Article, Section 3-401 through 3-413 and Section 3-701 through 3-705.

1.5 Compliance

The head of each agency is responsible for compliance with and enforcement of this policy. Agency Chief Information Officers (CIOs) shall develop and implement an Agency IT Security Program to implement this policy and these standards. Where the agency's IT Security Program is unable to comply with this policy, a timetable to resolve the discrepancies and controls for compliance shall be included. The controls shall include but are not limited to:

- Maintaining the confidentiality, integrity, availability, and accountability of all State information technology applications and services;
- Protecting information according to its sensitivity, criticality and value, regardless of the media on which it is stored or automated systems that process it, or the methods by which it is distributed;
- Ensuring that risks to information security are identified and controls implemented to mitigate these risks;
- Implementing processes to ensure that all security services meet the minimum requirements set forth in this policy and the attached standards;
- Ensuring that all employees and contractors understand and comply with this Policy, as well as all applicable laws and regulations;
- Implementing physical security controls to prevent unauthorized and/or illegal access, misuse, destruction or theft of the State's IT assets.

1.6 Security Program Maintenance and Review

Each State agency will review and update its IT Security Program as needed to conform to changes within the agency or in the State IT Security Program. Refer to NIST Special Publication 800-18, Guide for Developing Security Plans for Information Technology Systems for additional guidance: <http://csrc.nist.gov/publications/nistpubs/800-18/Planguide.doc>. The status of agency IT Security Programs Systems shall be reported according to Section 4.9.

1.7 Information Technology Security Deviation and Risk Acceptance

Compliance with this policy shall be planned and achieved as promptly as possible. When an agency determines, in the course of planning or carrying out its IT Security Program, that it is not feasible or practical to comply with a provision or provisions of this policy and attendant standards, or to do so promptly, it shall document the deviation from policy or standards. The documentation, with a timetable for compliance when practicable, shall be prepared as an IT Security Deviation Request.

IT Security Deviation Requests must be filed in accordance with the specifications detailed in the State IT Security Deviation/Risk Acceptance Standard (see Section 11, IT Security Deviation/Risk Acceptance Standard). Such deviations require the approval of the agency CIO, the agency head and the State CIO.

Section: 2	Revision: 2
Date Adopted: June 2003	Date Revised: December 2005

2 Key Definitions

Term / Acronym	Definition
Acceptable Risk	A vulnerability that is acceptable to responsible management, due to the cost and magnitude of implementing countermeasures.
Accountability	A system's ability to determine the actions and behavior of a single individual within a system, and to identify that particular individual.
Accreditation	The authorization and approval granted to operate a system or network in order to process sensitive data in an operational environment.
Agency	All units of the Executive branch excluding the University System of Maryland.
Authentication	The testing or reconciliation of evidence of a user's identity.
Authorization	The rights and permissions granted to an individual (or process), which enables access to a computer resource.
Authorized Software	Software owned or licensed and used in accordance with the software license or software approved for use by the agency for a specific job function.
Availability	Ensures the reliable and timely access to data or computing resources by the appropriate personnel.
Certification	A technical review made as part of and in support of the accreditation process. Certification shows the extent to which a particular computer system or network design and implementation meets a pre-specified set of security requirements. A judgment and statement of opinion that the accrediting official can use to officially accredit the system is produced.
CIO	Chief Information Officer.
Cold Site	An alternate facility that is void of any resources or equipment except air-conditioning and raised flooring. Equipment and resources must be installed to duplicate the critical systems.
Computer	An electronic, magnetic, optical, or other data processing device or system that performs logical, arithmetic, memory, or storage functions. It includes any data storage facility, or communications facility that is directly related to or operated in conjunction with that device or system.
Confidentiality	Restriction from disclosure, intentionally or unintentionally, to unauthorized persons, processes or devices.
Data Remanence	Residual information left behind once media has been in some way erased.
Incident	Any event, suspected event or attempted action that could pose a threat to the integrity, availability, confidentiality, or accountability of an IT System. Incidents include an attempted security breach, IT System disruption or outage.
Identification	Data uniquely labeling a user to a system.
IDS	Intrusion Detection System
IPS	Intrusion Prevention System

Information Custodian	The business function owner responsible for the information assets for a particular IT System.
Integrity	Freedom from corruption or unauthorized modification; internal and external consistency.
IT Systems	Automated systems: communications systems including wireless systems, computer systems, hardware and software, application systems, networks, workstations, servers, personal digital assistants and data on the IT System.
ITEPP	Information Technology Emergency Preparedness Plan, including the business continuity plan, the recovery plan and the business resumption plan.
MCERT	Maryland's Computer Emergency Response Team. Team to be activated in the event of a major IT related disaster.
Mobile Code	Code that can be transmitted across the network and executed by a recipient.
Network	A system containing any combination of computers, computer terminals, printers, audio or visual display devices or telephones interconnected by telecommunications equipment or cables, used to transmit or receive information.
Untrusted Network	Any network not controlled by the State agency.
NIST	National Institute of Standards and Technology.
Nonpublic	Nonpublic is information that is not subject to inspection and copying under the Maryland Public Information Act or federal law.
Non-repudiation	Authentication with a high assurance to be genuine and that can not subsequently be refuted.
OIT	Office of Information Technology within the Department of Budget and Management.
Perimeter Access	Access to all entry and exit points of the network, controlled by firewalls and other filtering mechanisms.
Policy	For purposes of this document means both Policy and Standards
Privacy	Information that is free from unauthorized intrusion.
Public	Information that may be inspected and copied under the Maryland Public Information Act.
Residual Risk	The portion of risk that remains after security measures have been applied.
Risk	The probability that a particular threat will exploit a particular vulnerability of an IT System.
SDLC	Systems Development Life Cycle as defined in the State of Maryland SDLC Methodology (http://www.dbm.maryland.gov/ Keyword: SDLC).
SIA	Service Interface Agreement
Software	Computer programs, instructions, procedures, or associated documentation that is concerned with the operation of a computer system.
VoIP	Voice over Internet Protocol, providing telephony services over IP networks.

Section: 3	Revision: 1
Date Adopted: June 2003	Date Revised: December 2005

3 Responsibility Standard

The following standard sets the minimum level of responsibility for the following individuals and/or groups:

- State CIO;
- Divisions of Security and Enterprise Architecture for OIT;
- Agency;
- Employees and Contractors.

3.1 State Chief Information Officer

The duties of the State CIO are:

- Providing Statewide IT security policy, standards, guidelines, and procedures;
- Ensuring the State's IT Security Program is established and implemented in compliance with State laws and regulations and federal laws where applicable;
- Approving deviations to IT security requirements;
- Reporting to the Governor and the Legislature on the status of the State's IT Security Program;
- Enforcing State security policy, including establishing the appropriate measures and remedial actions for agencies for non-compliance.

3.2 Divisions of Security and Enterprise Architecture, DBM OIT

These divisions are responsible for:

- Developing and maintaining a Statewide Security Program that includes policy, standards, guidelines, procedures, best security practices, IT disaster recovery planning guidelines, IT Security Certification and Accreditation guidelines, security awareness training, and an incident response reporting capability;
- Identifying security vulnerabilities in State systems and recommending corrective action;
- Ensuring IT Disaster Recovery plans for critical IT Systems are maintained and that plans are exercised at least annually;
- Developing and maintaining a Statewide security architecture;
- Coordinating with State agency CIO's, federal and local government, and private industry to resolve security issues and improve security for State systems;
- Provide the appropriate guidance to assist agencies in establishing IT Security Programs and compliance with IT Security Policy;
- Working with other State agencies to establish a coordinated computer incident response effort.

3.3 Agency Responsibilities

Each agency is responsible for:

Ensuring the agency's IT Security Program is established and implemented in compliance with State security policies and standards, State and federal laws and regulations as applicable;

- Implementing an IT Security Certification and Accreditation process for the life cycle of each agency critical IT System;
- Reporting to the OIT on the status of the agency's IT Security Program
- Enforcing the State IT Security Policy;
- Managing the program and initiating measures to assure and demonstrate compliance with security requirements;
- Assuring the confidentiality, integrity, availability, and accountability of all agency information

while it is being processed, stored, and/or transmitted electronically, and the security of the resources

associated with the processing functions;

- Assuming the lead role in resolving security and privacy incidents;
- Documenting and ensuring that a process is implemented for the classification of information in accordance with the Information Sensitivity and Classification Standard;
- Specifying the level of security required to protect all information assets under their control to comply with this Policy;
- Generating any IT Information Security Deviation/Risk Acceptance request in accordance with Section 11;
- Development, implementation and testing of the IT Disaster Recovery Plan for critical agency IT Systems in accordance with IT Disaster Recovery Plan Guidelines;
- Ensuring a configuration/change management process is used to maintain the security of the IT system;
- Administering a virus prevention and incident reporting program that coordinates with Maryland's Computer Incident Response Team;
- Ensuring separation of duties and assigning appropriate system permissions and responsibilities for agency system users.

3.4 Employees and Contractors

All employees and contract personnel are responsible for:

- Being aware of their responsibilities for protecting IT assets of their agency and the State;
- Exercising due diligence in carrying out the IT Security Policy;
- Being accountable for their actions relating to their use of all IT Systems;
- Using IT resources only for intended purposes as defined by policies, laws and regulations of the State.

Section: 4	Revision: 2
Date Adopted: June 2003	Date Revised: December 2005

4 Information Technology Security Program Standard

Each agency is responsible for developing an IT Security Program for securing the agency's communications systems, computer systems, networks, and data in accordance with the State IT Security Policy. The status of an agency IT Security Program will be reported to the State CIO on an annual basis. This standard specifies the major components that must be included in every IT Security Program. The following list is not exhaustive; it functions as the minimum set of requirements. At a minimum each program must contain the following elements:

- IT Security Policy;
- Risk Management;
- Systems Development Life Cycle Methodology;
- IT Security Certification and Accreditation;
- IT Disaster Recovery Planning;
- IT Security Awareness Training;
- IT Incident Response Process;
- External Connections Review;
- IT Security Program Reporting.

4.1 IT Security Policy

Each agency must have a written IT security policy, with standards, and procedures. The agency policy must meet the minimum requirements as set forth in this policy.

4.2 Risk Management

A risk management process must be implemented to assess the acceptable risk to agency IT systems as part of a risk-based approach used to determine adequate security for the system. Agencies shall analyze threats and vulnerabilities and select appropriate, cost-effective controls to achieve and maintain a level of acceptable risk. Agencies will define a schedule for on-going risk management review and evaluation based on the system sensitivity and data classification of the system (see Section 5, Nonpublic Information Standard). Refer to NIST Special Publication 800-30, Risk Management Guide for Information Technology for guidance: <http://csrc.nist.gov/publications/nistpubs/>.

4.3 Systems Development Life Cycle Methodology

All State systems must include IT security as part of the system development life cycle management process. Refer to the requirements in the State of Maryland SDLC Methodology: <http://www.dbm.maryland.gov/>; Keyword: SDLC.

4.4 IT Security Certification & Accreditation

Agencies shall develop and implement an IT security certification and accreditation program as part of an overall IT risk management strategy. The program will maintain a catalog of all IT systems and sites (to include existing), ranked by sensitivity and criticality. The cataloged items should be certified and accredited, in order, according to State IT Security Certification and Accreditation (C&A) Guidelines. All new development shall be conducted using the IT Security C&A process integrated into the development process.

4.5 IT Disaster Recovery Planning

Agencies shall develop, implement, and test an IT Disaster Recovery plan for each critical IT system to ensure that a contingency system will be available in the event of a disaster to the primary production system. Reference State IT Disaster Recovery Guidelines.

4.6 IT Security Awareness, Training, and Education

Agencies shall develop and implement a security awareness, training, and education program for all agency employees and contractors to ensure that all employees and contractors adhere to the State IT Security Policy. Reference State IT Security Awareness Training and Education Training Guidelines.

4.7 IT Incident Response Process

Agencies shall be required to participate in the State Incident Response Process by detecting, tracking, logging, and reporting security incidents. Reference Maryland Computer Incident Response Capability Procedures and Standard Operation Procedures for Electronic Evidence Handling.

4.8 External Connections Review

External network connections, non-networked computers and dial-in connections shall be managed, reviewed annually, and documented as prescribed by the Agency IT Security Program. Results will be reported annually.

4.9 IT Security Program Reporting

Each agency is responsible for reporting on the status of the agency IT Security Program the DBM/OIT Security Division on an annual basis. A project plan detailing the projects, estimated costs, and estimated completion time required to bring the agency into compliance with the IT Security Policy must be included in the annual report.

Section: 5	Revision: 0
Date Adopted: June 2003	Date Revised:

5 Nonpublic Information Standard

Agencies shall establish and document a process that protects nonpublic information from disclosure to unauthorized individuals or entities, including other State or federal agencies. The process shall to be compliant with the Maryland Public Information Act and any applicable federal laws.

5.1 System Sensitivity Designation

Each agency must specify corresponding classification and controls that must be in place for the data within that agency. When the IT System is shared between State units and/or between State, Federal, or local units the highest level of classification will determine the classification of the data or IT System. For example, one agency may categorize the data at a medium level while the second agency may classify the data at a basic level, therefore, the data at both agencies will be at a medium level. All parties sharing the IT System or data must agree to the initial classification and any change in the classification. An IT System shall clearly identify data that is considered non-public or public and any electronic exchange of data will clearly state that the information is non-public or public.

Section: 6	Revision: 1
Date Adopted: June 2003	Date Revised: December 2005

6 Access Control Standard

All Agencies must ensure that information is accessed by the appropriate persons for authorized use only. To help accomplish this each agency must establish at a minimum the following:

- An authentication process to verify the identity of users prior to initiating a session or transaction on an IT system;
- An authorization process which specifically grants access to information ensuring that access is strictly controlled, audited, and that it supports the concepts of “least possible privileges” and “need-to-know”;
- An audit trail process to ensure accountability of system and security-related events;
- A process for ensuring that all systems have the ability to log and report specific security incidents and all attempted violations of system security. In addition, this capability must be enabled at all times;
- A review process of security audit logs, incident reports and on-line reports at least one (1) time per business day using automated tools to facilitate the review where possible;
- An investigation process for any unusual or suspicious items, which will incorporate reporting the results as specified in the State IT Incident Response Guideline;
- An internal assessment process for verifying their compliance to the State IT Security Policy;
- The processes to establish, manage, and document user id and password administration;
- A review of access privileges on an annual basis;
- A process for protecting nonpublic information;
- A process for explicitly authorizing access to nonpublic information;
- A process for documenting and escalating all instances of non-compliance with the State IT Security Policy;
- A segregation of the functions of system administration and security administration to provide separation of duties;
- Procedures prohibiting security personnel from initiating, programming, processing or authorizing business transactions;
- Independent audits of agency security administrators’ security transactions.

6.1 Authentication

All users must be uniquely identified. Group or shared ids are prohibited unless they are documented as “Functional ids”. Functional ids are user accounts associated with a group or role that may be used by multiple individuals (e.g., Emergency Problem/Fix Ids) or that are associated with a particular production job process (e.g., RACF id used to run production jobs). Passwords associated with functional ids are exempt from the password restriction on sharing and change requirements specified below.

6.2 Password Construction Rules and Change Requirements

Passwords must meet the following usage, construction and change requirements:

- The password must not be the same as the user id;
- Passwords must never be displayed on the screen;
- The user must select passwords unless randomly generated. Initial passwords and password sets distributed to the user must be issued “pre-expired” forcing the user to change them upon logon;
- Passwords must be a minimum of eight (8) characters and consist of mixed alphabetic and numeric characters. Passwords must not consist of all numbers, all special characters, or all alphabetic characters;
- Passwords must not contain leading or trailing blanks;
- Passwords must not contain more than two (2) consecutive identical characters;

- Password reuse must be prohibited by not allowing the last 10 passwords to be reused with a minimum password age of at least 2 days;
- Where possible, users should be prohibited from only changing/or adding one (1) character to their previous password (i.e., users should be prohibited from using passwords that are similar to their previous password);
- Automated controls must ensure that passwords are changed at least as frequently as every ninety (90) days for regular users, forty-five (45) days for power users, such as network and database administrators;
- Passwords older than its expiration date must be changed before any other system activity is performed;
- User ids associated with a password must be disabled after not more than four (4) consecutive failed login attempts while allowing a minimum of a ten (10) minute automatic reset of the account;
- When a user password is reset or redistributed, the validation of the user identity must be at least as strong as when originally established.

6.3 Authorization

All Agencies must have the following authorization controls implemented:

- A documented process to ensure that access privileges are verified at least annually;
- An automated process to ensure that individual user sessions either time out or initiate a password protected screen saver after a period of thirty (30) minutes of inactivity;
- A documented process to ensure that access rights reflect changes in employee/contractor status within twenty-four (24) hours of the change;
- A documented process to ensure that physical and logical access is immediately disabled upon a change in employment status where appropriate;
- An automated process to ensure that user ids are disabled after sixty (60) days of inactivity unless they are extended through the explicit approval of the Information Custodian (Note: Functional ids may be exempted from this requirement);
- A documented process to ensure that all default access capabilities are removed, disabled, or protected to prevent unauthorized use;
- A process/system to ensure that access privileges are traceable to a unique user id;
- An automated display, after a successful logon, showing the date and time of last successful logon and the number of unsuccessful logon attempts since the last successful logon.

6.4 Audit Trail

The following minimum set of events/actions must be logged and kept as required by State and Federal laws/regulations:

- Additions, changes or deletions to data produced by IT systems;
- Identification and authentication processes;
- Actions performed by system operators, system managers, system engineers, technical support, data security officers, and system administrators;
- Emergency actions performed by support personnel and highly privileged system and security resources.

The audit trails must include at least the following information:

- Date and time of event;
- User id of person performing the action;
- Type of event;
- Asset or resource name and type of access;
- Success or failure of event;
- Source (terminal, port, location, and so forth) where technically feasible.

6.5 Violation Log Management and Review

The Information Custodian must review all violations within one business day of a discovered occurrence. Automated tools are recommended when performing these review whenever possible. At a minimum the

following events should be reviewed:

- Two (2) or more failed attempts per system day to access or modify security files, password tables or security devices;
- Disabled logging or attempts to disable logging;
- Two (2) or more failed attempts to access or modify nonpublic information within a week;
- Any unauthorized attempts to modify software or to disable hardware configurations.

Section: 7	Revision: 3
Date Adopted: June 2003	Date Revised: December 2005

7 Network Security Standard

Agencies must ensure that all information networks are protected from unauthorized access at all entry points.

To help accomplish this, each agency must, at a minimum:

- Establish a process to protect from unauthorized dial-in access;
- Utilize the State approved banner text (See 7.2);
- Establish a process to ensure that all external IP connections are made through a firewall;
- Implement and monitor an Intrusion Detection Systems (IDS) or Intrusion Prevention System (IPS). Automated logging and reporting of this information should be 24x7x365;
- Establish a process to ensure that all Service Interface Agreements (SIAs) are managed in accordance with their IT Security Program and the State Policy;
- Establish a process to ensure that the same level of controls that exist on-site exist for users working remotely;
- Establish a process to prevent unauthorized mobile code from being loaded onto State IT equipment;
- Establish a process for ensuring that wireless network connections do not compromise the Agency's network;
- Establish a process for securing all Private Branch Exchanges (PBXs);
- Establish a process to prevent unauthorized networks to access VoIP networks.

7.1 Dial-in Access

The following services are prohibited except where they are specifically approved by the Agency CIO:

- Dial-in desktop modems;
- Use of any type of "remote control" product (e.g., PCAnywhere, GoToMyPC);
- Use of any network-monitoring tool.

In addition, the following controls for dial-in users must be implemented:

- Unique network access user ids different from their application or network user id;
- A minimum prohibition of answer or pickup until after the sixth (6th) ring;
- Access privileges must be prohibited to any applications except those expressly required (i.e. cannot grant access to entire network, must be application specific);
- Annual review of access requirements;
- Shall not store data unless the data can be protected from unauthorized access, modification, or destruction.

7.2 Banner Text

The following banner text must be displayed at all system entry points and at all access points to servers, subsystems, etc. where initial user logon occurs:

"Access to this system is restricted to authorized users only and limited to approved business purposes. By using this system, you expressly consent to the monitoring of all activities. Any unauthorized access or use of this system is prohibited and could be subject to criminal and civil penalties. All records, reports, e-mail, software, and other data generated by or residing upon this system are the property of State of Maryland and may be used by the State of Maryland for any purpose."

An automatic pause, slow roll rate, or user acknowledgement is required to ensure that the banner can be read. The banner is:

- Required for all mainframe, midrange, workstation, personal computer, and network systems;
- Must be used in addition to, and is not a substitute for, any default banners or copyright/proprietary notices;
- The first banner that is displayed, except for citizen interfaces where use will negatively impact the citizen. In such cases, this negative impact must be documented in the Agency's IT Security Program.

7.3 Firewalls & Network Devices

State networks will be protected by firewalls at identified points of interface as determined by system sensitivity and data classification. State firewalls should be configured to block all services not required, disable unused ports, hide and prevent direct access to State trusted network addresses from untrusted networks, prevent access by unauthorized source IP addresses or subnets, maintain comprehensive audit trails, fail in a closed state and operate on a dedicated platform (device).

All publicly accessible servers will be placed on a firewall interface configured as a DMZ. This DMZ must be separated from any interfaces connected directly to the internal network interface.

All network devices (e.g. servers, routers) shall have all non-needed services disabled and the security for those devices hardened. Publicly managed email and chat services will be prohibited inside an Agency network unless approved by the Agency CIO. All devices shall have updates and patches installed on a timely basis to correct significant security flaws. Default or initial passwords shall be changed upon installation of all firewall and network equipment.

7.4 Intrusion Detection Systems

State networks will be monitored by an IDS or IPS implemented at critical junctures. Host-based, network-based, or a combination of both (preferred) may be utilized. IDS/IPS must be monitored and/or information logged 24x7x365. Each agency must establish a severity and escalation list based upon anticipated events that include immediate response capability when appropriate. These plans should be incorporated in the Agency's IT Security Program.

7.5 Service Interface Agreement

External network connections shall be permitted only after all approvals are obtained consistent with this policy and shall be managed in accordance with a Service Interface Agreement (SIA) that is agreed to by the State agency and the non-State entity. These connections are subject to the Maryland Public Information Act and should not be part of the ordinary process of doing business. Specific criteria should be included in the system IT Security Certification and Accreditation package and in the IT System security plan. An SIA shall include:

- Purpose and duration of the connection as stated in the agreement, lease, or contract;
- Points-of-contact and cognizant officials for both the State and non-State organizations;
- Roles and responsibilities of points-of-contact and cognizant officials for both State and non-State organizations;
- Security measures to be implemented by the non-State organization to protect the State's IT assets against unauthorized use or exploitation of the external network connection;
- Requirements for notifying a specified State official within a specified period of time of a security incident on the network, with the recommended time within 4 hours of the incident;
- A provision allowing the State to periodically test the ability to penetrate the non-state network through the external network connection or system.

7.6 Teleworking

In a telecommuting environment, an agency must require the same level of security on the microcomputer used at home or offsite as the microcomputer used in the workplace.

7.7 Mobile Code

Until reliable executable content scanning technology is available to address security concerns with regard to mobile code or executables obtained via the Web, all mobile code or executable content employed within a agency intranet shall be documented in the IT System Security Plan and approved by the Agency CIO.

7.8 Wireless Networks

7.8.1 General Controls

Each agency must:

- Complete a Certification and Accreditation of the wireless system before production implementation including the creation of a Wireless Security Plan (Reference <http://csrc.nist.gov/publications/nistpubs/800-47/sp800-47.pdf> for guidance);
- Maintain a current, documented diagram of the topology of the wireless network;
- Label and keep an inventory of the wireless and handheld devices;
- Perform periodic security testing and assessment of the wireless network;
- Perform ongoing, randomly timed security audits to monitor and track wireless laptop and handheld PDA usage on the network to ensure only authorized users are utilizing the network;
- Implement configuration/change control and management to ensure that equipment has the latest software release that includes security enhancements and patches for discovered vulnerabilities;
- Implement standardized configuration to reflect the Wireless Security Plan, to ensure change of default values, and to ensure consistency of operation;
- Implement security training to raise awareness about the threats and vulnerabilities inherent in the use of wireless technologies;
- Monitor the wireless industry for changes to standards that enhance security features and for the release on new products;
- Vigilantly monitor wireless technology for new threats and vulnerabilities;
- Wireless networks must implement some form of cryptographic protocol, examples being secure shell (SSH), Transport-Level Security (TLS), Internet Protocol Security (IPsec), or Virtual Private Networks (VPN);
- Additional countermeasures such as strategically locating access points, ensuring firewall filtering, blocking, and the installation of antivirus software must be implemented.

7.8.2 Wireless Security Plan

The Wireless Security Plan must do the following:

- Identify who may use the technology in the agency;
- Identify whether Internet access is required;
- Describe who can install access points and other wireless equipment;
- Provide limitation on the location of and physical security for access points;
- Describe the type of information that may be sent over wireless links;
- Describe the conditions under which wireless devices are allowed;
- Define standard security settings for access points;
- Describe limitation on how the wireless devices may be used;
- Describe the hardware and software configuration of all wireless devices;
- Provide guidelines on reporting losses of wireless devices and security incidents;
- Provide guidelines for the protection of wireless clients to minimize/reduce theft;
- Define the frequency and scope of security assessments to include access point discovery.

Access Point Configuration

- All default passwords must be changed to comply with the State of Maryland password policies before production implementation;
- The Secure Set Identifier (SSID) must be changed from the factory default before production implementation;
- The beacon interval which announces the existence of a wireless network should be set to its highest value;
- Disable the broadcast SSID feature;
- Change default cryptographic keys;
- If SNMP is not required, the agency should disable it;
- If SNMP is required, agencies must use SMNPv3 or higher;
- Dynamic Host Control Protocol (DHCP) should be disabled and static IP addresses should be used on the wireless network, if feasible, and/or utilize access points with integrated firewalls.

Authentication

- The access point must verify the identity of the wireless device (i.e., open-system authentication and WEP and WEP2 are prohibited).

Intrusion Detection/Prevention Systems

- Host Based Intrusion Detection System (IDS) or Intrusion Prevention Systems (IPS) must be implemented on the wireless network wherever possible.

7.9 Private Branch Exchange (PBX)

If PBX processors require remote vendor maintenance via a dial-in telephone line the following controls must be in place:

- A single dedicated telephone line that disables access to the public-switched telephone network;
- An automated audit trail;
- Encryption of transmissions;
- Access controls.

Data transmitted by facsimile must be treated in the same manner as any data communicated by network or PBX based on system sensitivity and data classification.

Section: 8	Revision: 2
Date Adopted: June 2003	Date Revised: December 2005

8 Physical Security Standard

Physical access to IT information processing, storage areas, and storage devices and its supporting infrastructure (communications, power, and environmental) must be controlled to prevent, detect, and minimize the effects of unauthorized or unintended access to these areas. Agencies must:

- Secure IT areas with controls commensurate to the risks;
- Ensure the secure destruction of storage media;
- Ensure secure media reuse;
- Ensure secure storage of media;
- Obtain personnel security clearances where appropriate.

8.1 Secured IT Areas

Physical access controls must be in place for the following:

- Data Centers;
- Areas containing servers and associated media;
- Networking cabinets and wiring closets;
- Power and emergency backup equipment;
- Operations and control areas.

Access to data centers and secured areas will be granted for those employees, contractors, technicians and vendors who have legitimate business responsibilities in those areas. Authorization should be:

- Based on frequency of need for access;
- Approved by the manager responsible for the secured area.

Each agency is responsible for:

- Issuing picture id badges to all Employees/contractors and ensuring that these badges are openly displayed at all times;
- Ensuring that all portable storage media such as hard drives, flash media drives, diskettes, magnetic tapes, laptops, PDA devices, DVDs and CDs are physically secured;
- Ensuring proper environmental and physical controls are established to prevent accidental or unintentional loss of information residing on IT systems;
- Ensuring that any physical access controls are auditable.

8.2 Storage Media Disposal

When no longer usable, diskettes, compact disks, tape cartridges, ribbons, and other similar items shall be destroyed by a NIST approved method such as shredding, incineration, overwriting, or degaussing (Ref: <http://www.nsa.gov/ia/government/mdg.cfm?MenuID=10.3.1>). No IT equipment shall be released from an agency's control until the equipment is sanitized and all stored information has been cleared. This requirement applies to all permanent disposal of equipment regardless of the identity of the recipient. This includes equipment transferred to schools, as well as equipment maintenance and repair.

8.3 Media Reuse

When no longer required for mission or project completion, media (tapes, disks, hard drives, etc.) to be used by another person within the agency shall be overwritten with software and protected consistent with the data sensitivity of which the IT storage media were previously used. The procedures shall be documented in the IT System Security Plan.

8.4 Storage and Marking

IT Systems and electronic media shall be protected and marked in accordance with the data sensitivity. Users shall not store data on electronic media that cannot be adequately secured against unauthorized access. Data to be electronically transferred to a remote storage location should be transferred only by a secure and encrypted method.

8.5 Personnel

Security clearances are required for personnel as determined by the system sensitivity and data classification designation. Agencies will ensure that an appropriate background investigation (e.g., CJIS, State Police) has been completed on personnel as necessary. Agencies will maintain personnel clearance information on file.

Section: 9	Revision: 1
Date Adopted: June 2003	Date Revised: December 2005

9 Microcomputer/PC/Laptop Security Standard

Agencies must ensure that all microcomputer (i.e., workstation, desktop computers, laptops computers, PDA's, and any other portable device that processes/stores data) are secured against unauthorized access. The level of controls should be commensurate with the information accessed, stored, or processed on these devices. To help accomplish this each agency must establish at a minimum the following:

- General controls;
- Virus protection;
- Software licensing and use controls;
- Laptop security and mobile computing controls;
- Protection from personally owned microcomputers and portable storage devices.

9.1 General Controls

All microcomputers that store and/or access nonpublic information must implement the following controls: User id and password to control access at logon;

- Encryption to protect directories, sub-directories, and/or files containing nonpublic information;
- Virus Protection.

Standard virus protection programs must be installed, updated, and maintained on all microcomputers, LAN servers, and mail servers. These programs must:

- Be configured to run checks for viruses at startup and operate in memory-resident mode to check for viruses during normal processing;
- Be updated as soon as updates are available from the vendor;
- Be configured to prevent connection to the network unless the accessing microcomputer has the latest version of the virus product and update installed.

9.2 Software Licenses and Use

Unless specifically approved by the Agency CIO and the agency head, personal or corporate IT equipment shall not have State licensed software installed and shall not be used to process or transmit nonpublic data. Only State owned and authorized computer software is to be used on standalone or networked computer equipment. The State will provide legally acquired software to meet legitimate software needs in a timely fashion and in sufficient quantities to satisfy those needs.

Authorized software packages are those approved by the Agency CIO. Executable modules cannot be downloaded from the Internet unless authorized by the Agency CIO and agency network administrator. Agencies should designate a single point of contact for inquiries about copyright violations, pursuant to federal law.

9.3 Laptop Security and Mobile Computing

Laptops and mobile computing devices are not authorized to process or store nonpublic information unless approved in writing by the agency network support administrator, the Agency CIO and the agency head. Laptops and mobile computing devices which include personal digital assistants approved for processing nonpublic information cannot be connected to State networks or systems unless the network or system is certified and accredited for that function. In such cases the IT Security Program will identify the devices that can be used to access the network or the system, the purposes for the access, and the security controls for the connection.

9.4 Personally Owned Data Processing Equipment

Personal or contractor owned data processing and data storage equipment (i.e., not owned by the State) are prohibited from accessing systems with nonpublic information and processing or storing nonpublic information unless approved by the agency network support administrator and the Agency CIO.

Section: 10	Revision: 1
Date Adopted: June 2003	Date Revised: December 2005

10 Encryption Standard

Agencies must ensure that encryption is utilized to protect any nonpublic information when it is stored or transmitted through any environment. IT Systems employing encryption must comply with all applicable Federal Information Processing Standards (FIPS) publications and guidelines for encryption (Reference <http://csrc.nist.gov/publications/fips/> for guidance).

To help accomplish this each agency using encryption must establish at a minimum the following:

- Secure cryptographic keys;
- Use of Public Key Cryptography methods approved by the State CIO;
- All cryptographic keys must have a designated, unique owner.

Key change intervals shall be established by each agency, but must be no longer than the following:

- Master keys must be changed once per year, if the product allows;
- Key encrypting keys (e.g., asymmetric encrypting a symmetric) must be changed at a minimum of every six (6) months;
- Link encrypting keys must be changed every six (6) months.

Keys must be distributed in a secure manner ensuring that the entire key is not exposed while in transit to any one individual at any one time.

Default cryptographic keys may not be utilized. Exceptions are for emergency recovery, system calibration or vendor certification purposes. In such cases, a documented process describing the storage, maintenance, use and destruction of these keys must be in place.

10.1 Public Key Technology (Asymmetric)

All public key management systems, Certificate Authorities (CAs), key distribution systems, key recovery systems, and cross-certification processes must be approved by the State CIO. Every public key and certificate must have an associated scope of use, which must be checked by any user or server that accepts or relies upon the certificate.

The process for issuing digital certificates must:

- Establish that the subject is the holder of the associated private keys;
- Establish the identity of the subject;

Section: 11	Revision: 2
Date Adopted: June 2003	Date Revised: December 2005

11 IT Information Security Deviation/Risk Acceptance Standard

An Information Security Deviation Request/Risk Acceptance form must be completed by the agency if it determines that it cannot or will not comply with the State IT Security Policy. All deviation requests require the approval of the agency CIO, agency head, and the State CIO.

11.1 General Requirements

- Proposed deviations will be considered on an individual basis;
- Where appropriate, a risk assessment will be performed to evaluate the threats, countermeasures and extenuating circumstances associated with the proposed deviation and its impact on IT systems;
- Requests for deviations must be made in writing;
- Deviations will be granted for a maximum period of twelve (12) months after which time the deviation will be considered expired and require renewal.

Section: 12	Revision: 1
Date Adopted: June 2003	Date Revised: December 2005

12 Use of Electronic Communications Standard

This standard applies to information technology security, however, it is not inclusive of other State policies and regulations that may further apply to the use of electronic communications.

The use of the Internet, E-mail and other State computing equipment, networks and communication facilities is provided to State employees and contract employees as electronic tools to perform their job functions. Information communicated electronically through email, the Internet or sharing of electronic documents is subject to State laws, regulations, policies and other requirements, as is information communicated in other written forms and formats. Access to State agency email or Internet services may be wholly or partially restricted without prior notice and without user consent.

12.1 Internet and Electronic Communications

Users accessing the Internet or other State electronic communications through State resources may be monitored. Agencies shall develop standards consistent with all State policies and standards regarding E-mail, Internet use, and use of other computer resources. Electronic communications that are not secure or encrypted should not be used to send information that is nonpublic information.

12.2 Computer Software and Copyright Infringement

The State will not permit the making or using of unauthorized software copies under any circumstances. This includes, but is not limited to programs, executable modules and screen savers (e.g. downloaded software, pirated software, software not licensed to the State, software brought from home). Agencies will establish and enforce internal controls to prevent the making or use of unauthorized software copies, including measures to verify compliance with these standards and appropriate disciplinary actions for violations of these standards. For additional guidance refer to Annotated Code of Maryland, Criminal Law, Section 7-302.

The Agency CIO is responsible for ensuring that the agency is abiding by the terms of all software licenses and for compliance with the prevention of software copyright infringement and protection. The Agency CIO, or designee, shall establish and maintain positive control of software, including inventory measures and accounting procedures that document all purchases of software. Each agency shall establish written procedures that include at a minimum the following:

- Control of all software and software licenses;
- A program that informs employees about the need to comply with software licenses;
- Requirement for all employees to sign the State of Maryland Software Code of Ethics (Attachment 1).

12.3 IT Incident and Advisories

Each agency shall notify its staff of the personnel designated to provide authenticated notices of IT incidents and advisories. Employees other than the designated personnel shall not forward IT Incident advisories to agency staff. If an advisory comes to an employee, the employee shall forward it to the designated personnel for evaluation.

13 Record of Revisions

Issue	Date	Section	Description
Revision 1.3	December 2005	Cover Page	Modified date and revision
		1	Changed Format
		1.1,1.4	Removed reference to Executive Order
		1.6	Added language: guidance and reference
		2	Changes format, added terms and definitions: IPS, Untrusted Network, VoIP
		3	Changed format
		3.1	Added Enforcing State security policy
		4	Changed format
		4.9	Removed reference to State Data Security Committee
		6	Removed bullet line 6
		6.1.1	Changed bullet line 9 to reflect 90 days for general users. Changed line 11 to allow for a 10 minute automatic reset
		6.2	Changed bullet line 5: removed the 90 removal reference
		7	Changed format, added VoIP
		7.4	Added Intrusion Prevention System
		7.8	Added language: guidance. Added IPS reference
		8	Changed format
		8.2	Removed reference to second URL "Miami.edu"
		8.4	Added reference to secure and encrypted method.
		9	Changed format
		9	Added "processes/stores"
		9.2	Removed reference to DBM
		10	Changed format, changed language to state "reference", "guidance".
		11	Changed format

Issue	Date	Section	Description
		12	Changed format
		12.2	Changed heading, added paragraph to cover SCOE position.
		13 (old)	Removed
		14	Changed to Section 13
			Added Revision references for 2005
		14	Appended Software Code of Ethics attachment
Revision 1.2	December 2004	1.1.77	Agency deviation approval list modified
		2	Mobile Code definition added, Nonpublic Definition added,
			PPI Definition removed and all references to PPI changed to nonpublic.
		7.8	Wireless Network Controls, Security Plan, A.P. Configuration, Authentication, IDS.
		8.2	Storage Media Disposal
		9.4	Personally Owned Data Processing Equipment.
		11.1	Requests for deviations format
Revision 1.1	July 24, 2003	7.2	Banner Text modified.
Policy issued	June 6, 2003	N/A	N/A

ATTACHMENT 1
STATE OF MARYLAND
SOFTWARE CODE OF ETHICS

Unauthorized duplication of copyrighted computer software violates the law and is contrary to the State's standards of conduct. The State disapproves of such copying and recognizes the following principles as a basis for preventing its occurrence.

1. The State will not permit the making or using of unauthorized software copies under any circumstances.
2. The State will provide legally acquired software to meet its legitimate software needs in a timely fashion and in sufficient quantities to satisfy those needs.
1. The State will enforce internal controls to prevent the making or using of unauthorized software copies, including measures to verify compliance with these standards and appropriate disciplinary actions for violations of these standards.

My signature indicates that I have read and understand this State of Maryland Software Code of Ethics. I understand that making or using unauthorized software will subject me to appropriate disciplinary action. I understand further that making or using unauthorized software may also subject me to civil and criminal penalties.

SIGNATURE: _____ DATE: _____

NAME: (Please Print): _____

AGENCY: _____

DIVISION: _____

LOCATION: _____

APPENDIX B

INFORMATION TECHNOLOGY SECURITY STANDARDS PROTECTED HEALTH INFORMATION

The Maryland Health Care Commission requires that vendors have in place sound protections for electronic health information. Responses provided to the categories listed below will enable the Commission to evaluate that the integrity, confidentiality, and availability of electronic protected health information it collects, maintains, uses, or transmits is protected. The confidentiality of health information is threatened not only by the risk of improper access to stored information, but also by the risk of external intrusion or interception during transmission of information. The Commission broadly requires vendors to meet standards outlined under Title II, Subtitle F, Sections 261 through 264 of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Pub. L. 104-191. These standards require measures to be taken to secure electronic information while in its custody as well as in transit. Information specific to these requirements can be obtained from the Department of Health and Human Services, 45 CFR Parts 160, 162, and 164, Health Insurance Reform: Security Standards.

Policies: The vendor must demonstrate that it has developed and implemented policies and procedures to secure protected health information. Policies and procedures must be department-specific regarding the purchase, care, and handling of hardware and software.

Roles and responsibilities of management, technical staff, and users: The vendor must explain specific roles of management and technical staff in the daily supervision of its information technology systems. Discuss the method used for assigning access to information technology systems, i.e., role-based or user-based access. Indicate any access variations that exist between management and the system administrators.

Accounts and passwords: The vendor must provide evidence its network and/or server(s) are set up by unique user accounts. Information technology used to store or maintain health information must have access limited to users with only specific account access authorization.

Privacy and confidential data storage: The vendor must explain how its health information is stored, maintained, and transmitted and how it protects this information from internal and external intrusion. Explain the encryption technique used when electronic health information is transmitted externally.

Physical security plan: The vendor must demonstrate its technique for controlling physical access to offices and computer equipment. Explain how you control access to workstations. Discuss control measures used for assigning keys and swipe cards to employees.

Network configuration plan: The vendor must diagram its network and/or server(s)

where information technology is stored and operates. Provide an overview of the partitioning of your network and/or server(s) and where protected health information will reside.

Business continuity plan: The vendor must explain how its operations would continue in the event of a disaster. Include a discussion of an alternative site, replacement workstations and/or server(s) used to support your organization, how employees would perform their tasks from a remote site, and how long you could operate from a remote location before you would experience a degradation of service.

Backup and recovery plan: The vendor must explain its data backup process and how media are stored. Describe the practice used for restoring data on information technology system(s) using backup media. Include the frequency for testing the backup and recovery plan.

Keeping track of information technology upgrades and changes: The vendor must explain its process for protecting health information during system upgrades. Summarize how data are safeguarded during system repairs when performed by parties external to the organization. Discuss the documentation process used to track changes made in your information technology system.

Software licensing and policy: The vendor must include a list of software it is licensed to use and provide a copy of each license. Discuss the filing system that allows you to track licenses.

User awareness training: The vendor must provide evidence indicating that employees have read and understand your information technology security practice on an annual basis.

Network and/or server security: The vendor must provide an overview of its firewall protection for the network and/or server(s), and discuss any protections that exist on the workstations.

Anti-virus software: The vendor must explain its anti-virus software, frequency of updates, and configuration.

Social engineering: The vendor must explain its internal processes designed to prevent the inadvertent exchange of protected health information by employees.

APPENDIX C

Maryland Trauma and Specialty Referral Centers

Where Uncompensated Physician Services Can Be Reimbursed by the Trauma Fund

Adult Trauma Centers

PARC: R Adams Cowley Shock Trauma Center 32

Level I:

Johns Hopkins Hospital 34

Level II:

Johns Hopkins Bayview Medical Center 35

Prince George's Hospital Center 36

Sinai Hospital 37

Suburban Hospital 38

Level III:

Peninsula Regional Medical Center 39

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Western Maryland Health System–Memorial Trauma Center 40

Pediatric Trauma Centers

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Specialty Referral Centers

Baltimore Regional Burn Center, Johns Hopkins Bayview Medical Center 41

The Curtis National Hand Center, Union Memorial Hospital 42

Maryland Eye Trauma System: The Johns Hopkins Wilmer Eye Institute 43

APPENDIX D

Subtitle 25 MARYLAND HEALTH CARE COMMISSION

10.25.10 Maryland Trauma Physician Services Fund

Authority: Health-General Article, §§19-103(c), 19-130, and 19-207,
Annotated Code of Maryland

Notice of Proposed Action

[06-192-P]

The Maryland Health Care Commission proposes to repeal existing Regulations **.01—,16**, and adopt new Regulations **.01—,17** under **COMAR 10.25.10 Maryland Trauma Physician Services Fund**. This action was considered by the Commission at an open meeting held on June 15, 2006, notice of which was given through publication in the Maryland Register under State Government Article, §10-506, Annotated Code of Maryland.

Statement of Purpose

The purpose of this action is to implement the changes to the Maryland Trauma Physician Services Fund enacted under HB 1164/SB 835 which will take effect on July 1, 2006.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

The proposed action has no economic impact.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Rex Cowdry, Executive Director, Maryland Health Care Commission, 4160 Patterson Avenue, Baltimore, Maryland 21215, or call (410) 764-3460, or fax to (410) 358-8811. These comments must be received not later than 4:30 p.m., on August 21, 2006.

Open Meeting

Action on the proposed amendments will be considered by the Commission at a public meeting to be held on, September 21, 2006 at 1 p.m., at 4160 Patterson Avenue, Baltimore, Maryland 21215.

.01 Scope.

A. This chapter applies to trauma physicians and Maryland Institute of Emergency Medical Services Systems-designated trauma centers or Maryland Trauma Specialty Referral Centers, as defined in Health-General Article, §19-130(a)(3), Annotated Code of Maryland, that provide trauma care.

B. Reimbursement.

(1) Trauma physicians seeking reimbursement for uncompensated care provided to trauma patients shall file a claim pursuant to this chapter to receive reimbursement from the Maryland Trauma Physician Services Fund.

(2) Trauma physicians seeking reimbursement for trauma care provided to trauma patients enrolled in the Maryland Medical Assistance Program at the elevated rate shall comply with special billing requirements pursuant to this chapter.

(3) Trauma centers seeking reimbursement for costs of maintaining trauma physicians on-call shall file a claim to receive reimbursement from this fund.

.02 Definitions.

A. In this chapter, the following terms have the meanings indicated.

B. Terms Defined.

(1) "Applicant" means a person or entity eligible to file a claim to receive reimbursement from the Fund.

(2) "Commission" means the Maryland Health Care Commission.

(3) "Faculty practice plan" means a professional services organization that:

(a) Includes physicians; and

(b) Is formed to carry out, improve, and supplement the medical education, research, and clinical services program of a medical school.

(4) "Fraud" means knowingly and willfully making or causing to be made any false statement or representation of a material fact:

(a) In a claim for payment; or

(b) In determining eligibility for payments.

(5) "Fund" means the Maryland Trauma Physician Services Fund.

(6) "HSCRC" means the Health Services Cost Review Commission.

(7) "Maryland Trauma Registry" means a clinical trauma registry maintained by MIEMSS that:

(a) Monitors and provides information necessary to evaluate major trauma or specialty patient care, outcome, and cost; and

(b) Assesses how designated trauma centers and other hospitals comply with the trauma standards, regulations, and protocols.

(8) Medicaid.

(a) "Medicaid" means the Maryland Medical Assistance Program under Title XIX of the Social Security Act, 42 U.S.C. §1396, et seq. and the Children and Families Health Care Program under Title XXI of §4901 of the Balanced Budget Act of 1997, that provide comprehensive medical and other health-related care for indigent and medically indigent persons.

(b) "Medicaid" includes the services provided by a managed care organization under the State waiver program authorized under §1115 of the Social Security Act, 42 U.S.C. §1396n.

(9) "Medicaid differential" means the difference in reimbursement between Medicare and Medicaid for trauma services provided by a trauma physician to a Medicaid trauma patient in a trauma center.

(10) "Medicare economic index (MEI)" means the federal Center for Medicare and Medicaid Services' measure of inflation in the inputs for providing physician services.

(11) "MIEMSS" means the Maryland Institute for Emergency Medical Services Systems.

(12) On-Call Physician.

(a) “On-call physician” means a trauma physician who commits for a specific time period to be available and respond within a certain amount of time, as defined by MIEMSS, to provide care for a trauma patient in the trauma center.

(b) “On-call physician” does not include a physician on standby in a trauma center.

(13) On-Call Costs.

(a) “On-call costs” means the costs to a trauma center to have trauma physicians available and ready to respond to trauma patients within a certain amount of time as defined by MIEMSS.

(b) “On-call costs” does not include standby costs.

(14) “On-call services application” means the Maryland Trauma Physician Services Fund semiannual on-call trauma services application, developed by the Commission.

(15) “Reasonable cost equivalent (RCE)”:

(a) Is a methodology established by Medicare to set limits on what a hospital can claim per physician specialty standby hour; and

(b) Has the meaning described in 68 FR 45458 (Aug. 1, 2003).

(16) Service Period.

(a) “Service period” means the time that trauma services are provided from entrance to the trauma center until dismissal or discharge from the trauma center.

(b) “Service period” includes a subsequent readmission or outpatient visit to the trauma center for services that are directly related to the initial trauma injury.

(17) “Specialty referral center” means:

(a) The Curtis Hand Center at Union Memorial Hospital;

(b) The Eye Trauma Center at the Wilmer Eye Institute at the Johns Hopkins Hospital; and

(c) The Johns Hopkins Health System Burn Program.

(18) “Standby costs” means costs to a trauma center for paying physicians to be available on site at the trauma center to treat trauma patients.

(19) Trauma Center.

(a) “Trauma center” means a hospital designated by the Maryland Institute for Emergency Medical Services Systems (MIEMSS) as:

(i) The State primary adult resource center;

(ii) A Level I trauma center;

(iii) A Level II trauma center;

(iv) A Level III trauma center;

(v) A pediatric trauma center; or

(vi) A specialty referral center as defined in §B(17) of this regulation.

(b) “Trauma center” includes an out-of-State pediatric trauma center that has entered into an agreement with MIEMSS.

(20) “Trauma patient” means a patient whose trauma services are documented in the Maryland Trauma Registry.

(21) “Trauma physician” means a physician who provides trauma services during the service period to a trauma patient on the Maryland Trauma Registry as defined by the Maryland Institute for Emergency Medical Services System (MIEMSS).

(22) “Trauma services” means trauma care provided to a trauma patient in a trauma center.

(23) “Uncompensated care” means trauma services provided by a trauma physician to a trauma patient on the Maryland Trauma Registry who:

(a) Has no health insurance, including private health insurance, Medicare Part B coverage, VA health benefits, or CHAMPUS;

(b) Is not covered by Workers' Compensation coverage;

(c) Is not eligible for Medical Assistance coverage; and

(d) Has not paid the full Medicare reimbursement for the trauma care received, even after documented attempts by the trauma physician to obtain payment.

(24) “Uncompensated care shortfall” means the difference in reimbursement between what Medicare pays and what the trauma physician providing care collects from the uncompensated care trauma patient.

(25) “Uncompensated services claim” means a HCFA 1500 form or an ANSI 837 electronic transaction completed according to Commission specifications and submitted for reimbursement of uncompensated care services.

.03 Fund Administration.

A. The Fund is a special, nonlapsing interest bearing fund that is not subject to State Finance and Procurement Article, §7-302, Annotated Code of Maryland.

B. The purpose of the Fund is to subsidize the documented costs:

(1) Of uncompensated care incurred by a trauma physician in providing trauma services to a trauma patient on the Maryland Trauma Registry;

(2) Of undercompensated care incurred by a trauma physician in providing trauma services to an enrollee of the Medicaid Program who is a trauma patient on the Maryland Trauma Registry;

(3) Incurred by a trauma center to maintain trauma physicians on-call as required by MIEMSS; and

(4) Incurred by the Commission and the HSCRC to administer the Fund and audit reimbursement requests to assure appropriate payments are made from the Fund.

C. Administering Agencies. The Commission and the HSCRC shall administer the disbursements from the Fund.

D. Interest. The interest on the Fund shall be accounted for separately and credited to the Fund, and is not subject to State Finance and Procurement Article, §6-226(a), Annotated Code of Maryland.

.04 Source of Fund Revenue.

A. The Fund consists of motor vehicle registration surcharges paid into the Fund in accordance with Transportation Article, §13-954(b), Annotated Code of Maryland, and regulations promulgated under that authority.

B. Funds shall be transferred to the Commission on an as-needed basis to cover:

(1) On-call payments;

(2) Uncompensated care shortfall payments;

(3) Medicaid differential payments; and

(4) The Commission's and the HSCRC's administrative expenses.

.05 Who May Request Payment.

A. A trauma physician as defined in Regulation .02B(21) of this chapter may request payment under this chapter.

B. Medicaid and Uncompensated Care Reimbursement.

(1) Trauma Physician Services. A faculty practice plan, a physician practice, a trauma center on behalf of the trauma physician, or an individual trauma physician may submit requests for payment for trauma services provided to a Medicaid trauma patient or for uncompensated care trauma services if:

(a) Those services are provided to a trauma patient during the service period as defined in this chapter; and

(b) The physician meets the definition of a trauma physician under Regulation .02B(21) of this chapter.

(2) Emergency Physician Services.

(a) The total reimbursement to emergency physicians from the Fund may not exceed \$275,000 annually.

(b) An emergency room physician:

(i) Is eligible for uncompensated care shortfall payments only; and

(ii) May not receive Medicaid differential payments or on-call payments from the Fund.

C. On-Call Payments. Only a MIEMSS Level II or Level III trauma center may apply for on-call payments.

.06 Payments for Medicaid Trauma Patients.

A. A trauma physician:

(1) Is eligible for payment from the Fund for trauma services provided to a Medicaid trauma patient on the Maryland Trauma Registry on or after July 1, 2006; and

(2) May seek reimbursement in accordance with this regulation.

B. A trauma physician providing trauma services to a Medicaid trauma patient during the service period shall be reimbursed at the greater of:

(1) The Medicaid routine payment rate; or

(2) Up to 100 percent of the current Medicare facility-based payment in the Baltimore carrier locality area.

C. To be eligible for the Medicaid differential payment described in §B of this regulation, diagnosis codes shall meet one of the following two conditions:

(1) A diagnosis code shall fall between 800.00—959.9; or

(2) If a diagnosis code does not fall between 800.0 — 959.9, a supplementary classification of external causes of injury and poisoning (E800—E999) shall appear as a secondary diagnosis code.

D. An organization billing on behalf of physicians eligible for Medicaid differential payments shall designate a trauma service by using the appropriate code in the CPT Modifier field on the electronic claim or on the paper HCFA 1500 in accordance with Medicaid claims submission requirements.

E. To be eligible for the Medicaid differential payment described in §B of this regulation, the place of service code shall have one of the following values:

(1) Appropriate code to indicate “acute care inpatient hospital”;

(2) Appropriate code to indicate “outpatient hospital”; or

(3) Appropriate code to indicate “emergency room”.

F. The Department of Health and Mental Hygiene may apply Medicaid payment rules when adjudicating claims for trauma services to trauma patients.

G. The Fund shall transfer to the Department of Health and Mental Hygiene an amount sufficient to fully cover the State's share of expenditures for Medicaid differential payments for that fiscal year.

.07 Payments for Uncompensated Care Patients.

A. A trauma physician:

(1) Is eligible for payment from the Fund for trauma services provided to uncompensated trauma care patients with an admission date on the Maryland Trauma Registry beginning on or after July 1, 2006; and

(2) May seek reimbursement in accordance with this regulation.

B. The cost of uncompensated care incurred by a trauma physician in providing trauma care to a trauma patient as defined in this chapter shall be reimbursed at a rate of up to 100 percent of the current Medicare facility-based payment for a service in the Baltimore carrier locality area, less any amount for trauma physician services paid by the patient or other third-party payors including, but not limited to, auto insurance, criminal injuries compensation fund, attorneys, or collection agencies, as reported to the Fund on the uncompensated services claim.

C. An organization billing on behalf of physicians eligible for uncompensated care payments shall:

(1) Designate a trauma service by appropriate coding of the CPT Modifier on the electronic ANSI 837 transaction or paper HCFA 1500 claim in accordance with claims submission requirements; and

(2) Include the patient's trauma registry number on the electronic claim or on the HCFA 1500.

D. Diagnosis Code.

(1) Except as provided in §D(2) of this regulation, a diagnosis code shall fall between 800.00—959.9.

(2) If a diagnosis code does not fall between 800.0 —959.9, a supplementary classification of external causes of injury and poisoning (E800—E999) shall appear as a secondary diagnosis code

E. To be eligible for uncompensated care differential payment described in §B of this regulation, the place of service code shall have one of the following values:

(1) Appropriate code for “acute care inpatient hospital”;

(2) Appropriate code for “outpatient hospital”; or

(3) Appropriate code for “emergency room”.

F. The uncompensated services claim shall:

(1) Document uncompensated care services not previously claimed under the Fund;

(2) Exclude services for trauma patients who have applied for assistance through Medicaid, but who have not received a final eligibility determination;

(3) Exclude noncovered services that the trauma physician provided to trauma patients covered by health insurance; and

(4) Exclude services for trauma patients covered by health insurance for which the physician failed to comply with the insurer's coverage rules or claim filing requirements.

G. Uncompensated care services are eligible for reimbursement from the Fund only after a faculty practice plan, a physician practice plan, a trauma center on behalf of a trauma physician, or an individual trauma physician has completed its collection efforts using the respective entity's documented policies and procedures.

H. Order of Preference.

(1) To minimize administrative costs in administering the Fund, the order of preference for the entity submitting an uncompensated services claim is as follows:

(a) Faculty practice plan;

(b) Physician practice;

(c) Trauma physician.

(2) The preference specified in §H(1) of this regulation refers to the submitting entity and not the preference for distributing payments.

I. A trauma patient treated at an out-of-State pediatric trauma center that has entered into an agreement with MIEMSS shall be a Maryland resident in order for the trauma physician to file an uncompensated services application for an uncompensated care shortfall payment. The determination of whether a trauma patient is a Maryland resident shall be based on the trauma patient's demographic information as listed on the Maryland Trauma Registry.

J. The uncompensated services claim shall contain the following information:

(1) The name and federal tax identification number of the trauma physician rendering the care;

(2) The date of the service;

(3) Appropriate codes describing the service;

(4) Any amount recovered for the service rendered;

(5) The name of the trauma patient;

(6) The trauma patient's Maryland Trauma Registry number;

(7) Date of the original trauma injury;

(8) The diagnosis codes that were treated;

(9) The procedure and service codes performed; and

(10) Other information requested in the claim.

.08 On-Call Payment.

A. Eligibility.

(1) Level II trauma centers are eligible for on-call payments for on-call hours provided by trauma specialties designated in §C of this regulation on or after July 1, 2006.

(2) Level III trauma centers are eligible for on-call payments for on-call hours provided by trauma specialties designated in §C of this regulation on or after July 1, 2006.

B. To determine the amount of on-call payments to a Level II trauma center from the Fund, the following apply:

(1) The cost incurred by a Level II trauma center to maintain trauma surgeons, neurosurgeons, and orthopedic surgeons on-call shall be reimbursed at the lesser of a trauma center's actual on-call costs or up to 30 percent of the reasonable cost equivalents hourly rate for the specialty, inflated to the current year by the physician compensation component of the Medicare Economic Index as designated by the Centers for Medicare and Medicaid Services;

(2) The Fund will only reimburse for the minimum number of trauma physicians required to be on-call, as specified by MIEMSS in its criteria for Level II trauma centers; and

(3) A Level II trauma center shall be eligible for a maximum 24,500 on-call hours each fiscal year beginning July 1, 2006.

C. To determine the amount of on-call payments to a Level III trauma center from the Fund, the following apply:

(1) The cost incurred by a Level III trauma center to maintain anesthesiologists, neurosurgeons, orthopedic surgeons, and trauma surgeons on-call shall be reimbursed at the lesser of a trauma center's actual on-call costs or up to 35 percent of the reasonable cost equivalents hourly rate for the specialty, inflated to the current year by the physician compensation component of the Medicare Economic Index as designated by the Centers for Medicare and Medicaid Services;

(2) The Fund will only reimburse for the minimum number of trauma physicians required to be on-call, as specified by MIEMSS in its criteria for Level III trauma centers; and

(3) A Level III trauma center shall be eligible for a maximum 35,040 on-call hours each fiscal year beginning July 1, 2006.

D. The trauma center shall apply for disbursement from the Fund by submitting a semiannual on-call services application within 30 days after the end of the reporting cycle.

E. The on-call services application shall list on-call costs paid to trauma physicians at the trauma center during the reporting cycle. The on-call services application shall contain at least the following information:

(1) Trauma level of the trauma center;

(2) Name of each trauma physician providing on-call coverage;

(3) Specialty of each trauma physician providing on-call coverage;

(4) Amount of time available on-call for each physician; and

(5) Amount paid in on-call stipends to each physician.

.09 Payment for Standby Costs at an Out-of-State Pediatric Center.

A. An out-of-State pediatric trauma center that has entered into an agreement with the Maryland Institute for Emergency Medical Services Systems shall be eligible for an annual grant of up to \$490,000 for standby expenses related to the provision of trauma care to Maryland residents.

B. An out-of-State pediatric trauma center shall submit an application for standby expenses incurred in the previous fiscal year using guidelines developed by the Health Services Cost Review Commission.

C. The out-of-State pediatric trauma center shall submit to the Commission the standby application for the previous fiscal year by August 15th of each year.

.10 Equitable Payment under the Fund.

A. Disbursement from the Fund is subject to the availability of funds.

B. The Commission shall adjust reimbursement formulas used for Medicaid trauma services, uncompensated care trauma services, on-call payments, and standby payments to an out-of-State pediatric trauma center to preserve the distribution of monies in the Fund.

C. Revenue; Payments.

(1) On or before May 1 of each year, the Commission shall determine appropriate levels of payment that can be sustained for the upcoming fiscal year beginning July 1, given the expected revenue in the Fund.

(2) If expected revenue in the Fund is insufficient to meet expected payments, the Medicaid differential payments, uncompensated care shortfall payments, trauma center on-call payments, and standby payments to an out-of-State pediatric trauma center shall be adjusted by the same rate to maintain solvency in the Fund.

(3) The Commission shall maintain a sufficient balance in the Fund to assure equitable payments across a fiscal year.

(4) The Commission shall report to the trauma centers and the trauma physicians listed on trauma center rosters the expected payment levels for the upcoming State fiscal year by June 1.

D. If the Commission estimates that operating shortfalls will occur during a fiscal year and that those shortfalls will be sufficiently large that the annual update process cannot be used, the Commission shall use the following conventions:

(1) On-call payments for the next semiannual reporting period shall be adjusted to preserve solvency in the Fund;

(2) Priority for meeting the funding needs of Level III trauma centers to maintain physicians shall be maintained;

(3) The Commission may not change Medicaid reimbursement during a fiscal year, unless a 4-month notice is

provided to the Medicaid program and the uncompensated care and on-call payments have already been halted; and

(4) The Commission shall adjust Medicaid reimbursements during subsequent annual update processes to adjust for any inequities that arise due to implementation of §D(3) of this regulation during the preceding fiscal year.

.11 Prohibited Acts.

A. An applicant for a Medicaid differential payment under the Fund may not:

- (1) Make, or cause to be made, a false statement or false claim; or*
- (2) Engage in fraud in submitting a claim.*

B. Violation of §A of this regulation may result in referral to the appropriate Medicaid fraud administrative and prosecutorial authorities.

C. An applicant for an uncompensated care shortfall payment or on-call payment under the Fund may not:

- (1) Make, or cause to be made, a false statement or false report; or*
- (2) Engage in fraud in making an application or report to the Fund.*

D. Violation of §C of this regulation may result in:

- (1) Referral to the Office of the State's Attorney;*
- (2) Rescission of, or an action for recovery of, any prior reimbursement improperly made by the Fund; and*
- (3) Any other appropriate referrals or administrative action.*

.12 Audits.

A. The Commission, or its designee, may audit to verify the information submitted by faculty practice plans, physician practice plans, trauma physicians, and trauma centers applying for reimbursement from the Fund.

B. The Commission, or its designee, may perform on-site audits.

C. Information discovered by the audit process indicating that an application for payment from the Fund was improperly paid may result in remedial action being taken, including but not limited to, denial or partial denial of future payments from the Fund, or other appropriate action.

.13 Reporting Requirements to the General Assembly.

On or before September 1 of each year, the Commission and the HSCRC shall report to the General Assembly in accordance with State Government Article, §2-1246, Annotated Code of Maryland, on:

- A. The amount of money in the fund on the last day of the previous fiscal year;*
- B. The amount of money applied for by trauma physicians and trauma centers during the previous fiscal year;*
- C. The amount of money distributed in the form of trauma physician and trauma center disbursements during the previous fiscal year;*
- D. Any recommendations for altering the manner in which trauma physicians and trauma centers are reimbursed from the Fund;*
- E. The costs incurred in administering the Fund during the previous fiscal year; and*
- F. The physician and facility costs of each trauma center and the amount that each trauma center contributes toward these costs.*

.14 Filing of On-call Applications and Uncompensated Care Claims.

A. In order to receive a payment from the Fund, a faculty practice plan, a physician practice plan, a trauma physician,

or a trauma center on behalf of a trauma physician shall submit a timely and complete on-call services application or an uncompensated services claim that includes the information required in this regulation on a form and in a manner approved by the Commission and the HSCRC as indicated in the application.

B. A faculty practice plan, a physician practice plan, a trauma center, or a trauma physician that does not file an on-call services application within the timeframe specified is not eligible for participation in the Fund for that time period.

C. An on-call services application that is substantially incomplete or inaccurate may be considered not filed.

.15 Appeals.

A. The executive directors, or their designees, of the Commission and the HSCRC, shall review any appeal from a denial, or partial denial, of an uncompensated care shortfall payment or on- call payment.

B. To secure review of a denial or partial denial, an applicant shall file a written appeal of the denial with the Commission, together with any supporting memoranda and documentation, within 15 days of the date of receipt of the denial, or the partial denial, from the Fund.

C. In reviewing a denial or a partial denial, of an uncompensated care shortfall payment or on- call payment, the executive directors shall consider all relevant factors and render their decision upon the written information, without an oral hearing, in a timely fashion. They may seek and consider further information from the applicant or supplementation of the application if necessary or appropriate.

.16 Expiration of Fund.

This chapter remains in effect unless the Fund ceases to be funded or expires by operation of law. In the event the Fund ceases to operate, unless otherwise provided by law, the Fund shall make any final disbursements for the current reporting period based upon available funds.

.17 Effective Date.

Trauma services provided by a trauma physician to a trauma patient on or after July 1, 2006, are eligible for reimbursement pursuant to the provisions set forth in these regulations.

STEPHEN J. SALAMON
Chairman
Maryland Health Care Commission

APPENDIX E

MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE Standard Addendum for the Means of Delivering Bids or Proposals

Any bid or proposal due to any unit of the Maryland Department of Health and Mental Hygiene/Maryland Health Care Commission shall be delivered/transmitted as described in this addendum. The failure of any bidder or offeror to follow these instructions may result in its bid or offer not being received by the due time and date, which will result in the rejection of that bid or offer.

There are three acceptable means of delivering/transmitting a bid or offer:

1. The United States Postal Service;
2. Hand delivery by the bidder/offeror itself; and
3. Hand delivery by a commercial delivery/courier company acting as an agent of the bidder/offeror.

For U. S. Postal Service Deliveries

For U.S. Postal Service deliveries, any bid or proposal which has been received at the appropriate mailroom or typical place of mail receipt for the respective procuring unit by the time and date listed in the RFP or specifications will be deemed to be timely.

If a vendor chooses to use the United States Postal Service for delivery, the Commission recommends that it use Express Mail, Priority Mail, or Certified Mail only.

These are the only forms of U.S. Postal Delivery for which both the date and time of receipt can be verified by the Commission. A vendor using first class mail will, therefore, not be able to prove a timely delivery at the mailroom. It may take several days for an item sent by first class mail to make its way by normal internal mail pickup to a
procuring unit's bid box.

For Hand Deliveries by Vendors and Deliveries By Commercial Courier Services

These deliveries must be delivered directly to the room or location specified in the RFP or solicitation and placed in the designated bid box. A bidder who uses a commercial courier service must take appropriate action to ensure that the courier actually delivers the bid/offer to the specified location and not to the Commission's mailroom. The bid/offer will not be deemed to have been received until it is placed in the designated bid box.

For any type of hand delivery, the vendor or its commercial courier services should request a signed receipt from a procuring unit employee which notes the title of the procurement, the name of the vendor, and the time and date of receipt at the bid box.

Identifying Information

All envelopes containing bids or offers, no matter how transmitted, must contain this information prominently displayed:

- either "Sealed Bid" or "Sealed Proposal," as appropriate;
- the exact title of the bid or proposal as noted in the RFP or specifications;
- the due time and date; and
- the name of the bidder/offeror.

Questions on any of these requirements should be directed to the Commission contact person identified in the RFP or to Sharon M. Wiggins, Procurement Officer, at the Maryland Health Care Commission (410) 764-3329.

APPENDIX F
BID/PROPOSAL AFFIDAVIT

A. AUTHORIZED REPRESENTATIVE

I HEREBY AFFIRM THAT:

I am the (title) _____ and the duly authorized representative of (business) _____ and that I possess the legal authority to make this Affidavit on behalf of myself and the business for which I am acting.

B. AFFIRMATION REGARDING BRIBERY CONVICTIONS

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business (as is defined in Section 16-101(b) of the State Finance and Procurement Article of the Annotated Code of Maryland), or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities including obtaining or performing contracts with public bodies has been convicted of, or has had probation before judgment imposed pursuant to Criminal Procedure Article, §6-220, Annotated Code of Maryland, or has pleaded nolo contendere to a charge of, bribery, attempted bribery, or conspiracy to bribe in violation of Maryland law, or of the law of any other state or federal law, except as follows (indicate the reasons why the affirmation cannot be given and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of person(s) involved, and their current positions and responsibilities with the business):

C. AFFIRMATION REGARDING OTHER CONVICTIONS

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities including obtaining or performing contracts with public bodies, has:

(1) Been convicted under state or federal statute of:

(a) A criminal offense incident to obtaining, attempting to obtain, or performing a public or private contract; or

(b) Fraud, embezzlement, theft, forgery, falsification or destruction of records or receiving stolen property;

(2) Been convicted of any criminal violation of a state or federal antitrust statute;

(3) Been convicted under the provisions of Title 18 of the United States Code for violation of the Racketeer Influenced and Corrupt Organization Act, 18 U.S.C. §1961 et seq., or the Mail Fraud Act, 18 U.S.C. §1341 et seq., for acts in connection with the submission of bids or proposals for a public or private contract;

(4) Been convicted of a violation of the State Minority Business Enterprise Law, §14-308 of the State Finance and Procurement Article of the Annotated Code of Maryland;

(5) Been convicted of a violation of §11-205.1 of the State Finance and Procurement Article of the Annotated Code of Maryland;

(6) Been convicted of conspiracy to commit any act or omission that would constitute grounds for conviction or liability under any law or statute described in subsections (1)—(5) above;

(7) Been found civilly liable under a state or federal antitrust statute for acts or omissions in connection with the submission of bids or proposals for a public or private contract; or

(8) Admitted in writing or under oath, during the course of an official investigation or other proceedings, acts or omissions that would constitute grounds for conviction or liability under any law or statute described in §§B and C(1)—(7) above, except as follows (indicate reasons why the affirmations cannot be given, and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of the person(s) involved and their current positions and responsibilities with the business, and the status of any debarment):

D. AFFIRMATION REGARDING DEBARMENT

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities, including obtaining or performing contracts with public bodies, has ever been suspended or debarred (including being issued a limited denial of participation) by any public entity, except as follows (list each debarment or suspension providing the dates of the suspension or debarment, the name of the public entity and the status of the proceedings, the name(s) of the person(s) involved and their current positions and responsibilities with the business, the grounds of the debarment or suspension, and the details of each person's involvement in any activity that formed the grounds of the debarment or suspension).

E. AFFIRMATION REGARDING DEBARMENT OF RELATED ENTITIES

I FURTHER AFFIRM THAT:

(1) The business was not established and it does not operate in a manner designed to evade the application of or defeat the purpose of debarment pursuant to Sections 16-101, et seq., of the State Finance and Procurement Article of the Annotated Code of Maryland; and

(2) The business is not a successor, assignee, subsidiary, or affiliate of a suspended or debarred business, except as follows (you must indicate the reasons why the affirmations cannot be given without qualification):

F. SUB-CONTRACT AFFIRMATION

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, has knowingly entered into a contract with a public body under which a person debarred or suspended under Title 16 of the State Finance and Procurement Article of the Annotated Code of Maryland will provide, directly or indirectly, supplies, services, architectural services, construction related services, leases of real property, or construction.

G. AFFIRMATION REGARDING COLLUSION

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business has:

(1) Agreed, conspired, connived, or colluded to produce a deceptive show of competition in the compilation of the accompanying bid or offer that is being submitted;

(2) In any manner, directly or indirectly, entered into any agreement of any kind to fix the bid price or price proposal of the bidder or offeror or of any competitor, or otherwise taken any action in restraint of free competitive bidding in connection with the contract for which the accompanying bid or offer is submitted.

H. FINANCIAL DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, the provisions of Section 13-221 of the State Finance and Procurement Article of the Annotated Code of Maryland, which require that every business that enters into contracts, leases, or other agreements with the State of Maryland or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more shall, within 30 days of the time when the aggregate value of the contracts, leases, or other agreements reaches \$100,000, file with the Secretary of State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

I. POLITICAL CONTRIBUTION DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, Election Law Article, §§14-101—14-108, Annotated Code of Maryland, which requires that every person that enters into contracts, leases, or other agreements with the State of Maryland, including its agencies or a political subdivision of the State, during a calendar year in which the person receives in the aggregate \$100,000 or more shall file with the State Board of Elections a statement disclosing contributions in excess of \$500 made during the reporting period to a candidate for elective office in any primary or general election.

J. DRUG AND ALCOHOL FREE WORKPLACE

(Applicable to all contracts unless the contract is for a law enforcement agency and the agency head or the agency head's designee has determined that application of COMAR 21.11.08 and this certification would be inappropriate in connection with the law enforcement agency's undercover operations.)

I CERTIFY THAT:

- (1) Terms defined in COMAR 21.11.08 shall have the same meanings when used in this certification.
- (2) By submission of its bid or offer, the business, if other than an individual, certifies and agrees that, with respect to its employees to be employed under a contract resulting from this solicitation, the business shall:
 - (a) Maintain a workplace free of drug and alcohol abuse during the term of the contract;
 - (b) Publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of drugs, and the abuse of drugs or alcohol is prohibited in the business' workplace and specifying the actions that will be taken against employees for violation of these prohibitions;
 - (c) Prohibit its employees from working under the influence of drugs or alcohol;
 - (d) Not hire or assign to work on the contract anyone whom the business knows, or in the exercise of due diligence should know, currently abuses drugs or alcohol and is not actively engaged in a bona fide drug or alcohol abuse assistance or rehabilitation program;
 - (e) Promptly inform the appropriate law enforcement agency of every drug-related crime that occurs in its workplace if the business has observed the violation or otherwise has reliable information that a violation has occurred;
 - (f) Establish drug and alcohol abuse awareness programs to inform its employees about:
 - (i) The dangers of drug and alcohol abuse in the workplace;
 - (ii) The business' policy of maintaining a drug and alcohol free workplace;
 - (iii) Any available drug and alcohol counseling, rehabilitation, and employee assistance programs; and
 - (iv) The penalties that may be imposed upon employees who abuse drugs and alcohol in the workplace;

(g) Provide all employees engaged in the performance of the contract with a copy of the statement required by §J(2)(b), above;

(h) Notify its employees in the statement required by §J(2)(b), above, that as a condition of continued employment on the contract, the employee shall:

(i) Abide by the terms of the statement; and

(ii) Notify the employer of any criminal drug or alcohol abuse conviction for an offense occurring in the workplace not later than 5 days after a conviction;

(i) Notify the procurement officer within 10 days after receiving notice under §J(2)(h)(ii), above, or otherwise receiving actual notice of a conviction;

(j) Within 30 days after receiving notice under §J(2)(h)(ii), above, or otherwise receiving actual notice of a conviction, impose either of the following sanctions or remedial measures on any employee who is convicted of a drug or alcohol abuse offense occurring in the workplace:

(i) Take appropriate personnel action against an employee, up to and including termination; or

(ii) Require an employee to satisfactorily participate in a bona fide drug or alcohol abuse assistance or rehabilitation program; and

(k) Make a good faith effort to maintain a drug and alcohol free workplace through implementation of §J(2)(a)—(j), above.

(3) If the business is an individual, the individual shall certify and agree as set forth in §J(4), below, that the individual shall not engage in the unlawful manufacture, distribution, dispensing, possession, or use of drugs or the abuse of drugs or alcohol in the performance of the contract.

(4) I acknowledge and agree that:

(a) The award of the contract is conditional upon compliance with COMAR 21.11.08 and this certification;

(b) The violation of the provisions of COMAR 21.11.08 or this certification shall be cause to suspend payments under, or terminate the contract for default under COMAR 21.07.01.11 or 21.07.03.15, as applicable; and

(c) The violation of the provisions of COMAR 21.11.08 or this certification in connection with the contract may, in the exercise of the discretion of the Board of Public Works, result in suspension and debarment of the business under COMAR 21.08.03.

K. CERTIFICATION OF CORPORATION REGISTRATION AND TAX PAYMENT

I FURTHER AFFIRM THAT:

(1) The business named above is a (domestic ____) (foreign ____) corporation registered in accordance with the Corporations and Associations Article, Annotated Code of Maryland, and that it is in good standing and has filed all of its annual reports, together with filing fees, with the Maryland State Department of Assessments and Taxation, and that the name and address of its resident agent filed with the State Department of Assessments and Taxation is: Name: ____ Address: ____

(If not applicable, so state).

(2) Except as validly contested, the business has paid, or has arranged for payment of, all taxes due the State of Maryland and has filed all required returns and reports with the Comptroller of the Treasury, the State Department of Assessments and Taxation, and the Department of Labor, Licensing, and Regulation, as applicable, and will have paid all withholding taxes due the State of Maryland prior to final settlement.

L. CONTINGENT FEES

I FURTHER AFFIRM THAT:

The business has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency working for the business, to solicit or secure the Contract, and that the business has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency, any fee or any other consideration contingent on the making of the Contract.

M. Repealed.

N. ACKNOWLEDGEMENT

I ACKNOWLEDGE THAT this Affidavit is to be furnished to the Procurement Officer and may be distributed to units of: (1) the State of Maryland; (2) counties or other subdivisions of the State of Maryland; (3) other states; and (4) the federal government. I further acknowledge that this Affidavit is subject to applicable laws of the United States and the State of Maryland, both criminal and civil, and that nothing in this Affidavit or any contract resulting from the submission of this bid or proposal shall be construed to supersede, amend, modify or waive, on behalf of the State of Maryland, or any unit of the State of Maryland having jurisdiction, the exercise of any statutory right or remedy conferred by the Constitution and the laws of Maryland with respect to any misrepresentation made or any violation of the obligations, terms and covenants undertaken by the above business with respect to (1) this Affidavit, (2) the contract, and (3) other Affidavits comprising part of the contract.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

Date: _____

By: _____ (Authorized Representative and Affiant)___

APPENDIX G
State of Maryland
Comptroller of Maryland

Vendor Electronic Funds Transfer (EFT) Registration Request Form

Date of request _____

Business identification information (Address to be used in case of default to check):

Business name _____

Address line 1 _____

Address line 2 _____

City _____ State _____

Zip code:

--	--	--	--	--

--	--	--	--	--

Business taxpayer identification number:

Federal Employer Identification Number:

--	--

--	--	--	--	--	--	--

(or) Social Security Number:

--	--	--

--	--

--	--	--	--

Business contact name, title, and phone number including area code. (And address if different from above).

Financial institution information:

Name and address _____

Contact name and phone number (include area code) _____

ABA number:

--	--	--	--	--	--	--	--	--	--

Account number:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Account type: ☐ Checking ☐ Money Market

A VOIDED CHECK from the bank account must be attached.

Transaction requested:

1. ____ Initiate all disbursements via EFT to the above account.
2. ____ Discontinue disbursements via EFT, effective _____
3. ____ Change the bank account to above information – a copy of the approved

Registration Form for the previous bank account must be attached.

I am authorized by * _____ (hereinafter Company) to make the

representations contained in this paragraph. Company authorizes the Comptroller and the Treasurer of Maryland to register it for electronic funds transfer (EFT) using the information contained in this registration form. Company agrees to receive all funds from the State of Maryland by electronic funds transfer according to the terms of the EFT program. Company agrees to return to the State of Maryland any EFT payment incorrectly disbursed by the State of Maryland to the Company's account. Company agrees to hold harmless the State of Maryland and its agencies and departments for any delays or errors caused by inaccurate or outdated registration information or by the financial institution listed above.

*Name of registering business entity

Signature of company treasurer, controller, or chief financial officer and date

Completed by GAD/STO

Date Received _____

GAD registration information verified _____ Date to STO _____

STO registration information verified _____ Date to GAD _____

R*STARS Vendor No. and Mail Code Assigned:

_____/_____/_____

State Treasurer's Office approval date

General Accounting Division approval date

To Requestor:

Please retain a copy of this form for your records. Please allow approximately 30 days from the date of your request for the Comptroller's and Treasurer's Offices to process your request. Failure to maintain current information with this office could result in errors in payment processing. If you have any questions, please call the EFT registration desk at 410-260-7375.

Please submit form to: EFT Registration, General Accounting Division

Room 205, P.O. Box 746

Annapolis, Maryland 21404-0746

COT/GAD X-10

APPENDIX H

MBE INSTRUCTIONS AND ATTACHMENTS

MBE SUBCONTRACTING PARTICIPATION INSTRUCTIONS

MBE ATTACHMENTS A-H

- I.** As a component of the offeror's Technical proposal, the offeror shall submit one original and two copies of a completed **Certified MBE Utilization and Fair Solicitation Affidavit (MBE Attachment A)**, signed by the offeror, which shall become part of the contract. Offerors shall select either box 1b or 1c to reflect their anticipated compliance or inability to comply with the established goal. Failure to include this Attachment A with the Technical proposal shall result in a determination that the entire proposal is not reasonably susceptible for award of contract.
- II.** As a component of the offeror's Financial proposal, the offeror shall submit one original and two copies of a completed **MBE Participation Schedule (MBE Attachment B)**, signed by the offeror, which shall become part of the contract. Part I of Attachment B shall be completed regardless of the selection made on Attachment A. In the event box 1b or 1c (and a partial waiver is requested) is selected in Attachment A; Part II of Attachment B shall be completed. In the event box 1c is selected in Attachment A, and a full waiver is requested; Part II of Attachment B shall be left uncompleted. Failure to include this Attachment B with the Financial proposal shall result in a determination that the entire proposal is not reasonably susceptible for award of contract.

If completed, Part II of Attachment B shall include the following information:

- (a) The name of each proposed MBE who will participate in the project, the amounts to be paid each subcontractor, the percentage of the total contract represented by each subcontract and descriptions of the services to be performed or items to be furnished by the MBE.
- (b) Any other documentation considered appropriate by the Department of Health and Mental Hygiene to ascertain compliance with the Contract MBE participation goal.

Failure to include either MBE Attachment with its appropriate proposal (Attachment A - Technical proposal / Attachment B - Financial proposal) will render the entire proposal not reasonably susceptible of being awarded a contract and cause the Department to cease consideration of it.

- III.** Within 10 days of being notified that it has been recommended for award of a contract, the offeror shall submit one original and two copies of a completed **Outreach Efforts Compliance Statement (MBE Attachment C)**, signed by the offeror, which shall become part of the contract. It shall include:
- (a) A listing of specific work categories identified by the offeror in which there are subcontracting opportunities,
 - (b) Copies of written solicitations used to solicit certified MBEs for these subcontracting opportunities.
 - (c) A description of the offeror's attempts to personally contact the solicited MBEs.
 - (d) A description of offeror's efforts to fulfill or seek waiver of bonding requirements, if

bonding is required.

- IV.** Within 10 days of being notified that it has been recommended for award of a contract, the offeror shall submit one original and two copies of a completed **MBE Subcontractor Project Participation Statement (MBE Attachment D)**). This statement must be consistent with the information included on the MBE Participation Schedule (MBE Attachment B), unless any changes in MBE subcontractors have been submitted to and approved by the Department. The Statement shall be signed by both the offeror and each MBE listed and shall include:
- (a) A statement of intent to enter into a contract between the prime contractor and each subcontractor if a contract is executed between the Department of Health and Mental Hygiene and the prime Contractor.
 - (b) The amount and type of bonds required of MBE subcontractors, if any.
- V.** Whenever a modification or option is exercised the procuring unit will have to obtain MBE Participation Schedule (MBE Attachment B) and submit it to the Office of Contract Policy, Management and Procurement with the modification/option submission package. If the MBE subcontractor, previously listed on the MBE Participation Schedule, changes from original submission, MBE Attachments B & D must be submitted with the procurement request.

V. MBE Participation Waiver

If the offeror is unable to achieve the Contract goal for certified MBE participation, the offeror shall submit instead of or in conjunction with an MBE Subcontractor Project Participation Statement, a request in writing for a waiver with justification, to include the following:

- (a) A detailed statement of the efforts made to select portions of the proposed work to be performed by the certified MBEs in order to increase the likelihood of achieving the stated goal;
- (b) A detailed statement of the efforts made to contact and negotiate with certified MBEs including the names, addresses, dates, and telephone numbers of the certified MBEs contacted and a description of the information provided to the certified MBEs regarding plans, specifications, and anticipated time schedules for portions of the work to be performed;
- (c) As to each certified MBE that placed a subcontract quotation or offer that the apparent successful offeror considered not to be acceptable, a detailed statement of the reasons for this conclusion; and
- (d) In the event certified minority subcontractors are found to be unavailable, a signed and notarized **MBE Statement of Unavailability (MBE Attachment E)** must be prepared by the offeror, including the names, addresses, dates, and telephone numbers of the certified MBEs contacted, and the reason each MBE is unavailable.

The Code of Maryland Regulation citation (COMAR 21.11.03.11) governing the MBE waiver is included as **MBE Attachment F**.

VI. MBE Participation Compliance

To assure compliance with certified MBE subcontract requirements, the Department shall conduct periodic reviews and require periodic reports from both the prime contractor and the certified MBE subcontractor(s). The reviews and reports may consist of, but not be limited to:

- (a) The prime contractor shall submit **monthly** to the Department as noted below a **Prime Contractor Unpaid MBE Invoice Report (MBE Attachment G)** listing any unpaid invoices, over 30 days old, received from any certified MBE contractor, the amount of each invoice and the reason payment has not been made.
- (b) The prime contractor shall include in its agreement with certified MBE subcontractors a requirement that those subcontractors submit monthly to the Department, a **Subcontractor Payment Report (MBE Attachment H)** that identifies the prime contract and lists all payments received from the contractor in the preceding 30 days, as well as any outstanding invoices, and the amount of those invoices.

One copy of each report noted above, is to be submitted monthly to the Department's Contract Monitor as listed on page 5 of this solicitation and to the Office of Community Relations, 5th floor, 201 West Preston Street, Baltimore MD 21201 (410) 767-6600.

- (c) The prime contractor shall maintain such records as are necessary to confirm compliance with its MBE participation obligations. These records must indicate the identity of certified minority and non-minority subcontractors employed on the contract, the type of work performed by each, and the actual dollar value of the work performed.
- (d) The offeror, by submitting a proposal, in the event of contract award, shall consent as prime contractor to provide such documentation as reasonably requested and to provide right-of-entry at reasonable times for purposes of the State's representatives verifying compliance with the MBE participation obligations. The contractor must retain all records concerning MBE participation and make them available for Department inspection for a period of three years after final completion of the contract.

VII. All questions related to certification, as an MBE must be directed to:

Maryland Department of Transportation
Office of Minority Business Enterprise/Equal Opportunity
P.O. Box 8755
BWI Airport
Baltimore, Maryland 21240
Telephone: (410) 865-1269

Certified MBE Utilization
and Fair Solicitation

*****NOTICE*****

Effective October 1, 2004, this document shall be included with the submittal of the bid or offer, regardless of whether the bidder or offeror is seeking a waiver to the subcontracting goal. If the bidder or offeror fails to submit this form with the bid or offer, the procurement officer shall deem the bid non-responsive or shall determine that the offer is not reasonably susceptible of being selected for award.

In conjunction with the bid or offer submitted in response to Solicitation No. _____, I affirm the following (complete paragraph 1a. and check and complete paragraph 1b. or 1c.):

1a. I acknowledge the overall certified Minority Business Enterprise (MBE) participation goal of _____ percent and, if specified in the solicitation, subgoals of _____ percent for MBEs classified as African American-owned and _____ percent for MBEs classified as women-owned.

☐ 1b. I have made a good faith effort to achieve this goal and intend to meet or surpass it. I acknowledge that the MBE subcontractors/suppliers listed in the MBE Participation Schedule (MBE Attachment B) shall be used to accomplish the percentage(s) of MBE participation notated above in 1a.

OR

☐ 1c. After having made a good faith effort to achieve the MBE participation goal, I conclude I am unable to achieve it. Instead, I propose to achieve MBE participation of _____% and request a waiver of the remainder of the goal. Within 10 business days of receiving notice that I or the firm I represent is the recommended bidder or recommended offeror, I will submit a written waiver request compliant with COMAR 21.11.03.11. I acknowledge that the MBE subcontractors/suppliers listed in the MBE Participation Schedule (MBE Attachment B) shall be used to accomplish the percentage of MBE participation I am able to achieve.

2. I have identified the specific commitment of certified Minority Business Enterprises by completing and submitting an MBE Participation Schedule (MBE Attachment B) with the bid or financial proposal.

3. I understand that if I am notified that I am the apparent awardee, I must submit the following documentation within 10 working days of receiving notice of the potential award or from the date of conditional award (per COMAR 21.11.03.10), whichever is earlier.

- (a) Outreach Efforts Compliance Statement (Attachment C)
- (b) Subcontractor Project Participation Statement (Attachment D)
- (c) MBE Waiver Request per COMAR 21.11.03.11 (if applicable)
- (d) Any other documentation required by the Procurement Officer to ascertain bidder or offeror responsibility in connection with the certified MBE participation goal.

I acknowledge that if I fail to return each completed document within the required time, the Procurement Officer may determine that I am not responsible and therefore not eligible for contract award. If the contract has already been awarded, the award is voidable.

4. In the solicitation of subcontract quotations or offers, MBE subcontractors were provided not less than the same information and amount of time to respond as were non-MBE subcontractors.

5. The solicitation process was conducted in such a manner so as to not place MBE subcontractors at a competitive disadvantage to non-MBE subcontractors.

I solemnly affirm under the penalties of perjury that the contents of this paper are true to the best of my knowledge, information, and belief.

_____ _ Bidder/Offeror Name	_____ _ Signature of Affiant
_____ _ Address	_____ _ Printed Name, Title
	_____ _ Date

Submit this Affidavit with Bid/Technical Proposal

Maryland Department of Health and Mental Hygiene
201 West Preston Street
Baltimore, Maryland 21201

(Rev. 12/04)

MBE Participation Schedule

◀◀◀◀◀ NOTICE ▶▶▶▶▶

Effective October 1, 2004, this document shall be included with the submittal of a bid or financial proposal. The bidder shall complete Part I in all cases. If Box (1b.) is selected in Attachment A, Part II shall be completed to identify all MBE subcontractors. If Box (1c.) is selected on Attachment A, MBE subcontractors that will partially meet the goal shall be identified, or, if a total waiver is requested, the Part II may not be completed. In no case, however, shall this Attachment be omitted in its entirety or submitted without completing Part I and signing. If the bidder or offeror fails to submit the form with the bid or financial proposal as required, the procurement officer shall deem the bid non-responsive or shall determine that the offer is not reasonably susceptible of being selected for award.

PART I.

Prime Contractor: (Firm Name, Address, Phone)	Project Description
Project Number: DHMH OCPMP ____ - _____	Total Contract Amount: \$

PART II.

List Information For Each Certified MBE Subcontractor On This Project

A. Minority Firm: (Name, Address, Phone)	MBE Certification Number:
	Minority Firm Tax I.D. Number:
Work to Be Performed:	
Project Commencement Date:	Project Completion Date:
Agreed Dollar Amount: \$	Percentage of Total Contract:
B. Minority Firm: (Name, Address, Phone)	MBE Certification Number:
	Minority Firm Tax I.D. Number:
Work to Be Performed:	
Project Commencement Date:	Project Completion Date:
Agreed Dollar Amount: \$	Percentage of Total Contract:
C. Minority Firm: (Name, Address, Phone)	MBE Certification Number:

	Minority Firm Tax I.D. Number:
Work to Be Performed:	
Project Commencement Date:	Project Completion Date:
Agreed Dollar Amount: \$	Percentage of Total Contract:
D. Minority Firm: (Name, Address, Phone)	MBE Certification Number:
	Minority Firm Tax I.D. Number:
Work to Be Performed:	
Project Commencement Date:	Project Completion Date:
Agreed Dollar Amount: \$	Percentage of Total Contract:
E. Minority Firm: (Name, Address, Phone)	MBE Certification Number:
	Minority Firm Tax I.D. Number:
Work to Be Performed:	
Project Commencement Date:	Project Completion Date:
Agreed Dollar Amount: \$	Percentage of Total Contract:

Minority Firms Total Dollar Amount \$ _____ Minority Firms Total Percentage of Contract _____ %
 Sub-percentage women owned MBE _____ % Sub-percentage African American owned MBE _____ %

Document Prepared By:

Name

Title

List Additional MBE Subcontractors or Provide Additional Comments on Separate Form.

Submit this Affidavit with Bid/Financial Proposal

Maryland Department of Health and Mental Hygiene
 201 West Preston Street
 Baltimore, Maryland 21201

(Rev. 12/04)

MBE Participation Schedule (continued)
 Append to MBE Attachment B if needed.

F. Minority Firm: (Name, Address, Phone)	MBE Certification Number:
	Minority Firm Tax I.D. Number:
Work to Be Performed:	
Project Commencement Date:	Project Completion Date:
Agreed Dollar Amount: \$	Percentage of Total Contract:
G. Minority Firm: (Name, Address, Phone)	MBE Certification Number:
	Minority Firm Tax I.D. Number:
Work to Be Performed:	
Project Commencement Date:	Project Completion Date:
Agreed Dollar Amount: \$	Percentage of Total Contract:
H. Minority Firm: (Name, Address, Phone)	MBE Certification Number:
	Minority Firm Tax I.D. Number:
Work to Be Performed:	
Project Commencement Date:	Project Completion Date:
Agreed Dollar Amount: \$	Percentage of Total Contract:
I. Minority Firm: (Name, Address, Phone)	MBE Certification Number:
	Minority Firm Tax I.D. Number:
Work to Be Performed:	
Project Commencement Date:	Project Completion Date:
Agreed Dollar Amount: \$	Percentage of Total Contract:

Outreach Efforts

MBE Attachment C

Compliance Statement

In conjunction with the bid or offer submitted in response to Solicitation No. _____, I state the following:

1. Bidder/ Offeror identified opportunities to subcontract in these specific work categories (Attach additional pages if necessary):
 -
 -
 -
 -
2. Attached to this form are copies of written solicitations (with bidding instructions) used to solicit certified MBEs for these subcontract opportunities.
3. Bidder/Offeror made the following attempts to contact personally the solicited MBEs. (Attach additional pages if necessary):
 -
 -
 -
 -
4. ☐ Bidder/Offeror assisted MBEs to fulfill or to seek waiver of bonding requirements. (Describe Efforts) (Attach additional pages if necessary)

☐ This project does not involve bonding requirements.
5. ☐ Bidder/Offeror did / did not attend the pre-bid conference.
☐ No pre-bid conference was held.

Bidder/Offeror Name

Address

By: _____

Name, Title

Date

To Be Submitted By Recommended Bidder/Offeror

Maryland Department of Health and Mental Hygiene
201 West Preston Street
Baltimore, Maryland 21201 (Rev. 12/04)

Provided that _____ is awarded the State contract in
(Prime Contractor Name)
conjunction with Solicitation No. _____, it and _____
(Subcontractor Name)
MDOT Certification No. _____, intend to enter into a contract by
which Subcontractor shall _____
(Describe Work)

Subcontractor: _____ The following amount and type of bonds are required of

-

Date _____

1

MARYLAND DEPARTMENT OF HEALTH & MENTAL HYGIENE
MINORITY CONTRACTOR UNAVAILABILITY CERTIFICATE

Section I (to be completed by PRIME CONTRACTOR)

I hereby certify that the firm of _____
 (Name of Prime Contractor)

located at _____
 (Number) (Street) (City) (State) (Zip)

on _____ contacted certified minority business enterprise, _____
 (Date) (Name of Minority Business)

_____ located at _____
 (Number) (Street) (City) (State) (Zip)

seeking to obtain a bid for work/service for project number _____, project name _____

List below the type of work/ service requested:

Indicate the type of bid sought, _____. The minority business enterprise identified above is either unavailable for the work /service in relation to project number _____, or is unable to prepare a bid for the following reasons(s):

The statements contained above are, to the best of my knowledge and belief, true and accurate.

 (Name) (Title)

 (Number) (Street) (City) (State) (Zip)

 (Signature) (Date)

Note: Certified minority business enterprise must complete Section II on reverse side.

Section II (to be completed by CERTIFIED MINORITY BUSINESS ENTERPRISE)

I hereby certify that the firm of _____ MBE Cert.# _____
(Name of MBE Firm)
located at _____
(Number) (Street) (City) (State) (Zip)
was offered the opportunity to bid on project number _____, ON _____
(Date)
by _____
(Prime Contractor's Name) (Prime Contractor Official's Name) (Title)

The statements contained in Section I and Section II of this document are to the best of my knowledge and belief, true and accurate.

_____	_____	_____
(Name)	(Title)	(Phone)
_____	_____	_____
(Signature)		(Fax Number)

MARYLAND DEPARTMENT OF HEALTH & MENTAL HYGIENE

Code of Maryland Regulations (COMAR)

Title 21, State Procurement Regulations

(regarding a waiver to a Minority Business Enterprise subcontracting goal)

COMAR 21.11.03.11 - Waiver.

- A. If, for any reason, the apparent successful bidder or offeror is unable to achieve the contract goal for certified MBE participation, the bidder or offeror may request, in writing, a waiver to include the following:
- (1) A detailed statement of the efforts made to select portions of the work proposed to be performed by certified MBEs in order to increase the likelihood of achieving the stated goal;
 - (2) A detailed statement of the efforts made to contact and negotiate with certified MBEs including:
 - (a) The names, addresses, dates, and telephone numbers of certified MBEs contacted, and
 - (b) A description of the information provided to certified MBEs regarding the plans, specifications, and anticipated time schedule for portions of the work to be performed;
 - (3) As to each certified MBE that placed a subcontract quotation or offer that the apparent successful bidder or offeror considers not to be acceptable, a detailed statement of the reasons for this conclusion;
 - (4) A list of minority subcontractors found to be unavailable. This list should be accompanied by an MBE unavailability certification signed by the minority business enterprise, or a statement from the apparent successful bidder or offeror that the minority business refused to give the written certification: and
 - (5) The record of the apparent successful bidder or offeror's compliance with the outreach efforts required under Regulation .09B(2)(b).
- B. A waiver of a certified MBE contract goal may be granted only upon reasonable demonstration by the bidder or offeror that certified MBE participation was unable to be obtained or was unable to be obtained at a reasonable price and if the agency head or designee determines that the public interest is served by a waiver. In making a determination under this section, the agency head or designee may consider engineering estimates, catalogue prices, general market availability, and availability of certified MBEs in the area in which the work is to be performed, other bids or offers and subcontract bids or offers substantiating significant variances between certified MBE and non-MBE cost of participation, and their impact on the overall cost

of the contract to the State and any other relevant factor.

- C. An agency head may waive any of the provisions of Regulations .09-.10 for a sole source, expedited, or emergency procurement in which the public interest cannot reasonably accommodate use of those procedures.
- D. When a waiver is granted, except waivers under Section C, one copy of the waiver determination and the reasons for the determination shall be kept by the MBE Liaison Officer with another copy forwarded to the Office of Minority Affairs.

Maryland Department of Health and Mental Hygiene

**Minority Business Enterprise Participation
Prime Contractor Unpaid MBE Invoice Report**

To Be Completed Monthly by Prime Contractor

Report Month/Yr _____
Report Due by 15th of following month.

Contract # DHMH/OCPMP _____
Contracting Unit _____
Contract Amount _____
MBE Subcontract Amount _____
Contract Begin Date _____ End Date _____
Services Provided _____

Prime Contractor Name _____ Contact Person _____

Address _____

City _____ State _____ Zip _____

Phone _____ Fax _____ email _____

Subcontractor Name* _____ Contact Person _____

Address _____

City _____ State _____ Zip _____

Phone _____ Fax _____ email _____

Subcontractor Services Provided _____

List any unpaid invoices over 30 days old received from this vendor and reason for non-payment.

Invoice # Amount \$

1.

2.

3.

Total Amount Unpaid \$ _____

* If more than one MBE subcontractor is used for this contract, please use separate report forms. Return one copy of this form to each of the following addresses:

_____, Contract Monitor
_____(Contracting Unit) Maryland
Department of Health and Mental Hygiene

Signature _____

Date _____

**Ms. Beverly Spence
Maryland DHMH
Office of Community
Relations
201 West Preston Street,
5th floor Baltimore, MD
21201**

Maryland Department of Health and Mental Hygiene

**Minority Business Enterprise Participation
Subcontractor Payment Report**

To Be Completed Monthly by MBE Subcontractor

Report Month/Yr _____
Report Due by 15th of following month.

Contract # _____
Contracting Unit _____
Contract Amount _____
MBE Subcontract Amount _____
Contract Begin Date _____ End Date _____
Services Provided _____

Prime Contractor Name _____ Contact Person _____
Address _____
City _____ State _____ Zip _____
Phone _____ Fax _____ email _____

MBE Subcontractor Name _____ MDOT Certification # _____
Contact Person _____
Address _____
City _____ State _____ Zip _____
Phone _____ Fax _____
Subcontractor Services Provided _____

List all payments received from Prime.

Invoice # Amount \$

1.
2.
3.
Total Dollars Paid \$ _____

List dates and amounts of any outstanding invoices sent to Contractor in the preceeding 30 days.

Date Amount \$

1.
2.
3.
Total Dollars Unpaid \$ _____

Return one copy of this form to each of the following addresses:

_____, (Contracting Unit)
_____, Contract Monitor
Maryland Department of Health and Mental Hygiene

**Ms. Beverly Spence
Maryland DHMH
Office of Community Relations
201 West Preston St. 5th floor
Baltimore, MD 21201**

Subcontractor Signature _____ **Date** _____

APPENDIX I

Financial Proposal Sheet

1. Description of the Formula

Describe the formula the TPA uses in developing the adjudicated claim administrative fee (per claim). Enumerate the variables included in TPA's formula. Variables should be based on actual experience claims. All factors including trend in claims volume, trauma utilization adjustments and factors used to adjust for demographic and geographic mix of patients should be described.

2. The proposed administrative fee per adjudicated claim shall meet all requirements specified in Part I, Section 4.1 of the RFP

Adjudicated claims fully loaded administrative fee \$_____

This fee shall be paid for each claim for payment delivered to MHCC on the monthly report described in Part I, Section 4.1 and in the summary of deliverables in Part I, Section 4.1.

**3. Total Contract Price: 7,000 claims x _____ (from 2 above) = \$ _____
(Note the 7,000 claims are for evaluation purposes only, see Section 3 for a discussion of trauma services volumes). MHCC makes no guarantee on claim minimums or maximums**

Offeror

Date

Signature

Federal Employer ID #

If an Offeror fails to submit MBE Attachment B, Appendix H at the time of submittal of the offer as required, the Procurement Officer shall deem the offer not reasonably susceptible of being selected for award of contract and the proposal will not be further considered. MHCC intends to make a Single Award as a result of this solicitation. The contract that results from this RFP shall be a fixed unit price, indefinite quantity contract and reimbursement of claims as provided in COMAR 21.06.03.02A (2) and 21.06.03.06 with respect to the services required in Part I Section 4.1. **The MHCC can not guarantee minimum or maximum number of claims.**

The Proposed "Total Contract Price" specified above is based on model quantities for the services required in Part I Section 4.1 and will be used solely for price evaluation, comparison and selection for recommendation for award. The actual amount to be paid to the Contractor shall be calculated using 1) the adjudicated claims administrative fee multiplied by the number of adjudicated claims reported by the TPA for payment to MHCC in a given month.

APPENDIX J

Example of individual letter to be generated on MHCC letterhead for each check request:

TO: Robert Cassidy, Chief
General Accounting

FROM: Bridget A. Zombro, Associate Deputy Director

DATE: March 17, 2006

RE: Trauma Fund Disbursement Checks

In accordance with the charges designated to us by the enactment of *SB479, Maryland Trauma Physician Services Fund*, I am requesting that a check be generated and sent to the provider listed below. Please dispense these monies from PCA U110S, Item 899. Thank you.

Johns Hopkins Bayview Medical Center
ATTN: James Clauter
5300 Alpha Commons Drive
Suite 300
Baltimore, MD 21224

TAX ID# 52-0595110

Amount: \$227,994.00

Summary Report By Tax ID

GOODS OR SERVICES RECEIVED

QUANTITY AND QUALITY OK _____

Not subject to approval of State Purchasing Bureau

ADPICS PO / BPO NUMBER - M00_____

VENDOR # / FIN - 1 — — — — — MC ---

DCT. NUMBER _____

COMMODITY CODE _____ DEPT. CODE _____

BPO Line #	PCA	AGENCY OBJECT	AMOUNT
	U101S	0899	

INVOICE / MERCHANDISE RECEIVED DATE / ____ / ____

Reason for Delay _____

Prices & extensions checked, payment not requested previously for items included in this invoice

DEPARTMENT OF HEALTH AND MENTAL HYGIENE

BY: _____

DHMH 4571